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6830 Walling Lane Dallas, Texas 76231

T.R.A. DOCKET ROOM

May 27, 2003

Via Federal Express

Chief Clerk Tennessee Regulatory Authority 460 James Robertson Parkway Nashville, Tennessee 37243-0505 DOCKET NO.

Re:

Application of Comm South Companies, Inc. for a Certificate of Authority to Provide Facilities-Based and Resale Interexchange Services in The State of Tennessee

To the Chief Clerk:

Transmitted herewith for filing is an original and thirteen (13) copies of the Application of Comm South Companies, Inc. for a Certificate of Authority to Provide Facilities-Based and Resale Interexchange Telecommunications Services throughout the State of Tennessee.

Please date-stamp the "Receipt" copy of this filing and return in the enclosed self-addressed envelope. If you have any questions regarding this filing, please contact me at the number below.

Respectfully submitted,

Sheri Pringle

Director - Regulatory Affairs Comm South Companies, Inc.

214.355.7005

springle@commsouth.net

Before the Tennessee Regulatory Authority

In the Matter of the Application Of Comm South Companies, Inc. for A Certificate to Provide Competing Facilities-Based and Resale Interexchange Telecommunications Services

Application for Certificate to Provide Competing Facilities-Based and Resale Interexchange Services

Pursuant to applicable Tennessee Statutes and the Rules and Regulations of the Tennessee Regulatory Authority and Section 253 of the Federal Telecommunications Act of 1996 ("Act"), Comm South Companies, Inc. ("Comm South" or Applicant") respectfully requests that the Tennessee Regulatory Authority ("TRA") grant to Comm South the additional authority to provide competing facilities-based and resale interexchange telecommunications services within the State of Tennessee. Comm South currently furnishes and will continue to provide local exchange services on a facilities-based and resale basis in the State of Tennessee (See Docket No. 02-00665, September 4, 2002 and File No. 97-1327, Aug. 20, 1997).

Comm South is willing and able to comply with all applicable rules and regulations in Tennessee pertaining to the provision of competing telecommunications services. TCA \$65-4-201.

In support of its Application, Comm South submits the following:

1) The full name and address of the Applicant is:

Comm South Companies, Inc. 6830 Walling Lane Dallas, Texas 75231 Telephone: (214) 355-7000

Facsimile: (214) 355-7259

Questions regarding this Application should be directed to:

Sheri Pringle
Director – Regulatory Affairs
Comm South Companies, Inc.
6830 Walling Lane
Dallas, Texas 75231
Telephone: (214) 355-7005
Facsimile: (214) 355-7259

Email: springle@commsouth.net

Contact names and addresses at the Company are:

Sheri Pringle Director - Regulatory Affairs Comm South Companies, Inc. 6830 Walling Lane Dallas, Texas 75231 Telephone: (214) 355-7005

Facsimile: (214) 355-7259

Email: springle@commsouth.net

Rick Brown Chief Technology Officer Comm South Companies, Inc. 6830 Walling Lane Dallas, Texas 75231 Telephone: (214) 355-7003 Facsimile: (214) 355-7259

Email: rbrown@commsouth.net

Organizational Chart of Corporate Structure: Include and pertinent acquisition or 2) merger information:

See Exhibit A.

3) Corporate information:

Applicant was incorporated in the State of Texas on March 17, 1995 as "Onyx Distributing Company, Inc." and subsequently changed its name to "Comm South Companies, Inc." A copy of Applicant's Articles of Incorporation is provided in Exhibit B. A copy of Applicant's Authority to Transact Business in the State of Tennessee is provided in Exhibit C. The names and addresses of the principal corporate officers and directors are provided in Exhibit D. There are no officers in Tennessee. Brief biographies of principal officers and other key managerial and technical staff are provided in Exhibit E.

Applicant possesses the managerial, technical, and financial ability to provide 4) competing interexchange services in the State of Tennessee as demonstrated below:

Financial Qualifications: A)

In support of its financial qualifications, Applicant submits the most recent financial statements in Exhibit F, which summarizes the most recent financial performance of Comm South. Applicant has the financial

resources necessary to operate as an interexchange exchange service provider in the State of Tennessee.

At present, Applicant provides facilities-based local exchange services through the lease or purchase of unbundled network element ("UNE") platform and does not otherwise plan to make capital expenditures for the purchase of equipment to provide service. Initially, Applicant plans to provide interexchange services on a prepaid basis only. Applicant plans to bundle prepaid local and long distance services. To the extent necessary, Applicant requests a waiver of the requirement to provide a three-year capital expenditure budget.

Applicant's financial statements do not reflect any revenues or expenses associated with reciprocal compensation.

A copy of Applicant's Corporate Surety Bond is provided as **Exhibit H**.

B) <u>Managerial Ability</u>:

As shown in **Exhibit E** to this Application, Applicant has the managerial expertise to successfully operate a telecommunications enterprise in Tennessee. As described in the attached biographical information, Comm South's management team has extensive management and business experience in the telecommunications industry.

C) <u>Technical Qualifications</u>:

Applicant's services will satisfy the minimum standards established by the TRA. Applicant will file and maintain tariffs in the manner prescribed by the TRA and will meet minimum basic local standards, including quality of service and billing standards required of all local exchange companies regulated by the TRA. Applicant will not require customers to purchase customer premise equipment ("CPE"), which cannot be used with the Incumbent Local Exchange Carrier's systems.

As described in the biographies in **Exhibit E**, Applicant has significant experience in the services proposed and, thus, is technically and managerially qualified to provide telecommunications services in Tennessee.

5) <u>Proposed Service Area:</u>

A) <u>Interexchange Service:</u>

Applicant is currently authorized to provide local exchange services in the State of Tennessee on a facilities-based and resale basis (Docket No. 02-00665, Sept. 4, 2002 and File No. 97-1327, Aug. 8, 1997).

Currently, in addition to Tennessee, Applicant is currently authorized to provide facilities-based local telecommunications services in Alabama, Arkansas, California, District of Columbia, Florida, Georgia, Indiana, Iowa, Kansas, Kentucky, Louisiana, Massachusetts, Mississippi, Missouri, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, Oklahoma, Oregon, Pennsylvania, Texas, Utah, Virginia, Washington, West Virginia, Wisconsin, Wyoming. Additionally, through its wholly-owned subsidiaries Altair Communications, Inc., E-Z Tel, Inc. and Comm South Companies of Virginia, Inc., Applicant is authorized to provide facilities-base local telecommunications services in Georgia, North and South Carolina, and Virginia, respectively.

Applicant is also authorized to provide resold telecommunications services in Alabama, Arizona, Arkansas, California, Colorado, District of Columbia, Florida, Georgia, Hawaii, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, Oklahoma, Oregon, Pennsylvania, Puerto Rico, Tennessee, Texas, Utah, Vermont, Washington, West Virginia, Wisconsin and Wyoming. Additionally, through its wholly-owned subsidiaries Georgia Comm South, Inc., E-Z Tel, Inc. and Comm South Companies of Virginia, Inc., Applicant is authorized to provide resold local telecommunications services in Georgia, North and South Carolina, and Virginia, respectively.

Applicant is authorized, by application, registration, or on a deregulated basis, to provide interexchange telecommunications services in Alabama, Arizona, Arkansas, California, Colorado, District of Columbia, Florida, Georgia, Hawaii, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Massachusetts, Michigan, Mississippi, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Oklahoma, Oregon, Pennsylvania, Texas, Utah, Vermont, Virginia, West Virginia, Wisconsin and Wyoming.

No jurisdiction has denied Applicant or its subsidiaries authority to provide telecommunications services. However, in 2000, Applicant's authority to provide telecommunications services was revoked in the states

of Alabama, Arkansas and Florida due to the Applicant's inadvertent failure to timely file reporting information. Applicant believes that the oversights were attributable in large measure to changes in responsible personnel and a move of the company's headquarters in March and April of that year. Applicant has corrected its deficiencies and is now in good standing in each of these jurisdictions. See **Exhibit I** attached hereto.

6) <u>Types of Services to be Provided:</u>

A) <u>Interexchange Service</u>

Applicant intends to provide intrastate, interexchange telecommunications to customers in Tennessee. Initially, such services will be offered only on a prepaid basis. Specifically, Applicant proposes to provide the following intrastate, interexchange services on a full-time basis, 24 hours a day, seven days a week:

Prepaid Long Distance Service provides an outbound voice grade communications service for calls charged to a customer's account. The service allows Customers to place direct-dialed interexchange calls (by first dialing an 800 number), to terminating locations from their home telephone. The Customer may increase the available minutes of use by making additional payments.

Prepaid Phone Card Service, which provides an outbound voice grade communications service for calls charged to a Prepaid Card. Prepaid Card Service is accessed using a toll-free number printed on the card.

Applicant's proposed tariff, attached as **Exhibit G**, contains a description of its services and rates. As an initial matter, applicant will provide long distance services on a resale basis. Applicant intends to purchase services for resale from Red River Networks. At some point in the future, Applicant may purchase a switch that will be located near its headquarters in Dallas, Texas, from which its customer long distance traffic may be back-hauled. However, Applicant will not own, control, operate, or manage any telecommunications facilities in the State of Tennessee. Applicant is requesting facilities-based interexchange authority in order to ensure its ability to use the UNE platform, including unbundled switching, to originate and terminate interexchange service to its local exchange customers, as authorized by the Federal Communications Commission. See Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, Order on Reconsideration, FCC 96-394, CC Docket No. 96-98, 95-185, 11 FCC Red 13042, at ¶11 (Sept. 27, 1996).

7) Repair and Maintenance

Applicant understands the importance of effective customer service for interexchange service customers. Applicant has made arrangements for its customers to call the Company at its toll-free customer service number (800) 936-5223. The toll-free number will be printed on the customer's monthly billing statement. In addition, customers may contact the company in writing at the headquarters address. The Tennessee contact person knowledgeable about Applicant's operations and who will be addressing escalated consumer service issues is Felicia Mayo, who may be reached at the following address and number:

Felicia Mayo Regulatory Specialist Comm South Companies, Inc. 6830 Walling Lane Dallas, Texas 75231 Telephone: (214) 355-7108 Facsimile: (214) 355-7292

Email: Fmayo@commsouth.net or Regulatory@commsouth.net

8) <u>Small and Minority-Owned Telecommunications Business Participation Plan (65-5-212):</u>

See Exhibit J.

9) <u>Toll Dialing Parity Plan:</u>

See Exhibit K.

10) Notice:

Applicant has served notice of this Application to the eighteen (18) incumbent local exchange telephone companies in Tennessee with a statement regarding the Applicant's intention of operating in the entire State of Tennessee. A certificate of service is attached hereto as **Exhibit L**.

11) <u>Numbering Issues:</u>

A statement is provided in **Exhibit M**.

12) <u>Tennessee Specific Operational Issues:</u>

A statement is provided in Exhibit N.

13) <u>Miscellaneous:</u>

A) <u>Sworn Pre-Filed Testimony:</u>

See Exhibit O.

B) <u>Customer Deposits:</u>

Customer deposits will not be required.

C) <u>Complaints:</u>

Applicant has not been the subject of any complaints with respect to its provision of telecommunications services in any state in which it conducts business.

D) <u>Tariff</u>: A copy of Applicant's proposed Interexchange services tariff is enclosed as <u>Exhibit G.</u>

Conclusion:

Grant of the Application will further the goals of the Tennessee Legislature and further the public interest by expanding the availability of competitive telecommunications services in the State of Tennessee. In addition, the intrastate offering of these services is in the public interest because the services will provide Tennessee customers increased efficiencies and cost savings. The public will benefit through the increased availability of the competitive services to be offered by Applicant. Applicant's presences in Tennessee will also increase the incentives for other telecommunications providers to operate more efficiently, offer more innovative services, reduce prices, and improve quality of service.

Comm South respectively requests that the TRA enter an order granting it authority to provide facilities-based and resale interexchange services in the service areas of BellSouth, GTE, Sprint, and any other ILEC that does not enjoy a rural exemption under Section 251(f), throughout the State of Tennessee.

Respectfully submitted this 27th day of May, 2003.

Rick L. Brown

Chief Technology Officer Comm South Companies, Inc.

6830 Walling Lane

Dallas, Texas 75231

Telephone: (214) 355-7003 Facsimile: (214) 355-7297

EXHIBIT A
Organizational Chart of Corporate Structure

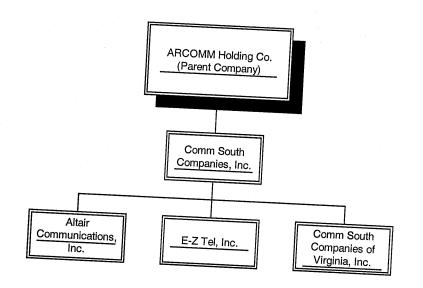


EXHIBIT B

Articles of Incorporation

Applicant was incorporated in the State of Texas on March 17, 1995 as "Onyx Distributing Company, Inc." and subsequently changed its name to "Comm South Companies, Inc." Attached hereto is Applicant's Articles of Incorporation.



SECRETARY OF STATE

CERTIFICATE OF INCORPORATION

ONYX DISTRIBUTING COMPANY, INC. **CHARTER NUMBER 1348942**

The undersigned, as Secretary of State of Texas, hereby certifies that the attached Articles of Incorporation for the above named corporation have been received in this office and are found to conform to law.

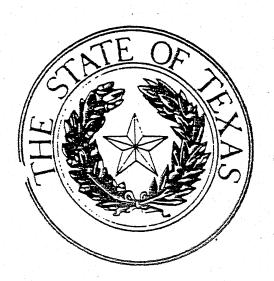
ACCORDINGLY, the undersigned, as Secretary of State, and by virtue of the authority vested in the Secretary by law, hereby issues this Certificate of Incorporation.

Issuance of this Certificate of Incorporation does not authorize the use of a corporate name in this state in violation of the rights of another under the federal Trademark Act of 1946, the Texas trademark law, the Assumed Business or Professional Name Act, or the common law.

Dated:

March 17, 1995

Effective March 17, 1995



ARTICLES OF INCORPORATION OF

ONYX DISTRIBUTING COMPANY, INC.

(A Close Corporation)

In the Office of the Secretary of State of Texas

MAR 1 7 1995

CORPORATIONS SECTION

ARTICLE ONE

The name of the Corporation is ONYX DISTRIBUTING COMPANY, INC.

ARTICLE TWO

The period of its duration is perpetual.

ARTICLE THREE

The purpose for which the Corporation is organized is the transaction of any and all lawful business for which a corporation may be incorporated under the Texas Business Corporation Act.

ARTICLE FOUR

The aggregate number of shares which the Corporation shall have authority to issue is One Thousand (1,000). The shares shall have a par value of One Dollar (\$1.00).

ARTICLE FIVE

The Corporation will not commence business until it has received for the issuance of its shares consideration of the value of \$1,000.00, consisting of money, labor done or property actually received.

ARTICLES OF INCORPORATION OF ONYX DISTRIBUTING COMPANY, INC., PAGE 1

ARTICLE SIX

The street address of its initial Registered Office, and the name of its initial Registered Agent at this address, is as follows:

Toby Wilson 101 East Randol Mill, Suite 108 Arlington, Texas 76011

ARTICLE SEVEN

The number of initial Directors is one. The name and address of the initial director is:

Toby Wilson 101 East Randol Mill, Suite 108 Arlington, Texas 76011

ARTICLE EIGHT

This Corporation is a close corporation.

ARTICLE NINE

The name and address of the Incorporator is:

Marilyn S. Hershman 408 W. 17th Street, Suite 101 Austin, Texas 78701-1207 (512) 474-2002

IN WITNESS WHEREOF: I have hereunto set my hand this 16th day of March, 1995.

Mailyn S Hershman

Marilyn S. Hershman, Incorporator



Secretary of State

CERTIFICATE OF AMENDMENT

FOR

COMM SOUTH COMPANIES, INC.

FORMERLY

DNYX DISTRIBUTING COMPANY, INC. CHARTER NUMBER 01348942

THE UNDERSIGNED, AS SECRETARY OF STATE OF THE STATE OF TEXAS,
HEREBY CERTIFIES THAT THE ATTACHED ARTICLES OF AMENDMENT FOR THE ABOVE
NAMED ENTITY HAVE BEEN RECEIVED IN THIS OFFICE AND ARE FOUND TO
CONFORM TO LAW.

ACCORDINGLY THE UNDERSIGNED, AS SECRETARY OF STATE, AND BY VIRTUE OF THE AUTHORITY VESTED IN THE SECRETARY BY LAW, HEREBY ISSUES. THIS CERTIFICATE OF AMENDMENT.

DATED DEC. 9, 1996
EFFECTIVE DFC. 9, 1996



tonio 2 Garra de Sacrato

ARTICLES OF AMENDMENT TO ARTICLES OF INCORPORATION OF ONYX DISTRIBUTING COMPANY, INC.

Pursuant to the provisions of the Texas Business Corporation Act the undersigned directors adopt the following Articles of Amendment to the Actacles coffne Secretary of State of Texas Incorporation of Onyx Distributing Company, Inc.: DEC 09 1996

ARTICLE ONE

The name of the corporation is Onyx Distributing Company, Inc. Corporations Section

ARTICLE TWO

The following amendment to the Articles of Incorporation was adopted by the Shareholders of the corporation on December 3, 1996.

The amendment alters Article One of the Articles of Incorporation to read as follows:

"The name of the Corporation is COMM SOUTH COMPANIES, INC."

ARTICLE THREE

The number of shares of the corporation outstanding at the time of the adoption was 1,000; and the number of shares entitled to vote on the amendment was 1,000.

ARTICLE FOUR

The number of shares that voted for the amendment was 1,000; and the number of the shares that voted against the amendment was 0.

Dated: December 3, 1996

Onyx Distributing Company, Inc.

Its: President

MINUTES OF THE MEETING OF THE SHAREHOLDERS OF ONYX DISTRIBUTING COMPANY, INC.

A meeting of the Shareholders of the Corporation was held on December 3, 1996. The meeting's business was to consider and adopt a resolution amending the Articles of Incorporation of the Corporation. The meeting was duly called to order by Toby Wilson, President of the Corporation. Toby Wilson also acted as Secretary of the meeting and recorded the minutes. The meeting was held in accordance with the terms of the bylaws of the corporation and the President declared that the meeting was validly convened.

The following Shareholders were present: Toby Wilson and Steve Harvanek.

A motion was duly made, seconded and adopted by the Shareholders to change the name of the Corporation from "Onyx Distributing Company, Inc." to "Comm South Companies, Inc." by amending the Articles of Incorporation of the Corporation as follows:

RESOLVED, that the corporation change its name from "Onyx Distributing Company, Inc." to "Comm South Companies, Inc.", that the attached Articles of Amendment to Articles of Incorporation authorizing such change is hereby adopted and approved and the officers of the Corporation are hereby authorized and instructed to file such Articles of Amendment with the Secretary of State's office and to take such other and further action as may be necessary to bring about and effectuate the change of name of the Corporation.

The number of shares that voted for the amendment was 1,000 and the number of the shares that voted against the amendment was 0.

No further action was taken at the meeting.

Toby Wilson

Steve Harvanek



Secretary of State OEC. 9, 1996

W. TOBY WILSON, ATTORNEY AT LAW SUITE 108, RANDOL CTR, 101 E. RANDOL MILL RD ARLINGTON ,TX 76011

RE: COMM SOUTH COMPANIES: INC. CHARTER NUMBER 01348942-00

IT HAS BEEN OUR PLEASURE TO APPROVE AND PLACE ON RECORD YOUR ARTICLES OF AMENDMENT.

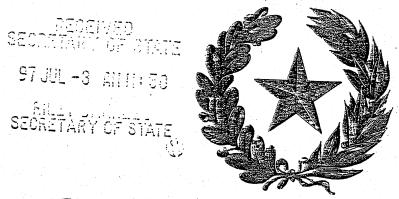
THE APPROPRIATE EVIDENCE IS ATTACHED FOR YOUR FILES AND THE ORIGINAL HAS BEEN FILED IN THIS OFFICE.

PAYMENT OF THE FILING FEE IS ACKNOWLEDGED BY THIS LETTER.

IF WE CAN BE OF FURTHER SERVICE AT ANY TIME, PLEASE LET US KNOW.



Antonio O. Garza, Jr. Sacratari di Tina



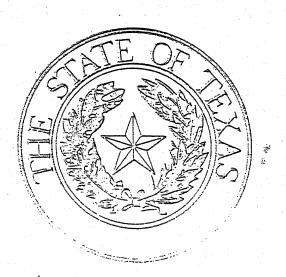
SECRETARY OF STATE

IT IS HEREBY CERTIFIED, that Articles of Incorporation of

COMM SOUTH COMPANIES, INC. #1348942-0

were filed in this office and a certificate of incorporation was issued on MARCH 17, 1995;

IT IS FURTHER CERTIFIED, that no certificate of dissolution has been issued, and that the corporation is still in existence.



IN TESTIMONY WHEREOF, I have hereunto signed my name officially and caused to be impressed hereon the Seal of State at my office in the City of Austin, on July 2, 1997.

conf.

DEE

Antonio D. Gerzo, Ir. Secretary of States



SECRETARY OF STATE

I, ANTONIO O. GARZA, JR., Secretary of the State of Texas, DO HEREBY CERTIFY that according to the records of this office for COMM SOUTH COMPANIES, INC., Articles of Incorporation were filed in this office and a certificate of incorporation was issued on MARCH 17, 1995 under its initial name of ONYX DISTRIBUTING COMPANY, INC. as set forth in that instrument.

IT IS FURTHER CERTIFIED that according to the records of this office Articles of Amendment were filed in this office on DECEMBER 9, 1996, changing the corporate name from ONYX DISTRIBUTING COMPANY, INC. to COMM SOUTH COMPANIES, INC.

IT IS FURTHER CERTIFIED that no certificate of dissolution has been filed and the corporation is still in existence.



IN TESTIMONY WHEREOF, I have hereunto signed my name officially and caused to be impressed hereon the Seal of State at my office in the City of Austin, on September 11, 1997.

Antonio O. Garra Jr.



SECRETARY OF STATE

IT IS HEREBY CERTIFIED that
Articles of Incorporation of

COMM SOUTH COMPANIES, INC. File No. 1345942-00

were filed in this office and a certificate of incorporation was issued to this corporation, and no certificate of dissolution is in effect and the corporation is currently in existence.



IN TESTIMONY WHEREOF, I have hereunto signed my name officially and caused to be impressed hereon the Seal of State at my office in the City of Austin, on May 18, 1998.

A moler

Alberto R. Gonzales
Secretary of State

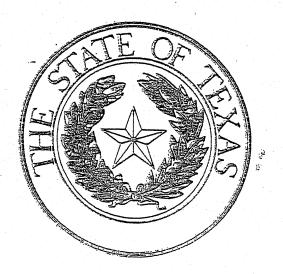


SECRETARY OF STATE

IT IS HEREBY CERTIFIED that Articles of Incorporation of

COMM SOUTH COMPANIES, INC. File No. 1348942-00

were filed in this office and a certificate of incorporation was issued to this corporation, and no certificate of dissolution is in effect and the corporation is currently in existence.



IN TESTIMONY WHEREOF, I have hereunto signed my name officially and caused to be impressed hereon the Seal of State at my office in Austin, Texas on December 27, 2000.

Elton Bomer

EXHIBIT C

Authority to Transact Business In the State of Tennessee

Attached hereto is Applicant's Authority to transact business in the State of Tennessee, granted in File No. 97-1327 and Docket No. 02-00665, September 4, 2002.

Company ID: 126483
Comm South Companies dba CommSouth in Tennessee
101 E. Randol Mill Rd., Suite 108
Arlington, TX 76011

BEFORE THE TENNESSEE REGULATORY AUTHORITY Nashville, TN August 20, 1997

IN RE: CASE NUMBER: 97-1327

Application for Authority to Provide Operator Services and/or Resell Telecommunications Services in Tennessee Pursuant to Rule 1220-4-2-.57.

---ORDER---

This matter is before the Tennessee Regulatory Authority upon the application of the above-mentioned company for certification as a reseller or telecommunication operator service provider in Tennessee. The TRA considered this application at a Conference held on 8/19/97, and concluded that the applicant has met all the requirements for certification and should be authorized to provide operator services and/or resell telecommunications services on an intrastate basis.

IT IS THEREFORE ORDERED:

- 1. That the above-mentioned company is issued a Certificate of Convenience and Necessity as an operator service provider and/or reseller of telecommunications services for state-wide service in Tennessee as specified in its application on file with the Authority.
- 2. That said company shall comply with all applicable state laws and TRA rules and regulations.
- 3. That this order shall be retained as proof of certification with this Authority, and may be used to obtain appropriately tariffed service and billing arrangements from Authority authorized telecommunications service providers.

Chairman

Director

ATTEST:

Executive Secretary

To: 912143557259 CSID: 615-253-3857 16:02, p 2

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

September 4, 2002

IN RE:					
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COMPANIES	N OF COMM SOU	TH	j	DOCKET NO). 02-00665
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INITIAL ORDER GRANTING CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

On August 6, 2002, this matter came before the Hearing Officer of the Tennessee Regulatory Authority ("Authority") upon Comm South Companies, Inc.'s Application to Provide Competing Facilities-Based Local Exchange Services ("Application") filed on June 3, 2002. The Application was made pursuant to Tenn. Code Ann. § 65-4-201 et seq.

LEGAL STANDARD FOR GRANTING CCN

The Application of Comm South Companies, Inc. ("Comm South") was considered in light of the criteria for granting a certificate of public convenience and necessity ("CCN") as set forth in applicable statutes. Tenn. Code Ann. § 65-4-201 provides, in part:

(a) No public utility shall establish or begin the construction of, or operate any line, plant, or system, or route in or into a municipality or other territory already receiving a like service from another public utility, or establish service therein, without first having obtained from the authority, after written application and hearing, a certificate that the present or future public convenience and necessity require or will require such construction, establishment, and operation, and no person or corporation not at the time a public utility shall commence the construction of any plant, line, system or route to be operated as a public utility, or

To: 912143557259

the operation of which would constitute the same, or the owner or operator thereof, a public utility as defined by law, without having first obtained, in like manner, a similar certificate...

* * *

- (c) After notice to the incumbent local exchange telephone company and other interested parties and following a hearing, the authority shall grant a certificate of convenience and necessity to a competing telecommunications service provider if after examining the evidence presented, the authority finds:
- (1) The applicant has demonstrated that it will adhere to all applicable commission policies, rules and orders; and
- (2) The applicant possesses sufficient managerial, financial, and technical abilities to provide the applied for services.

* * *

(d) Subsection (c) is not applicable to areas served by an incumbent local exchange telephone company with fewer than 100,000 total access lines in this state unless such company voluntarily enters into an interconnection agreement with a competing telecommunications service provider or unless such incumbent local exchange telephone company applies for a certificate to provide telecommunications services in an area outside its service area existing on June 6, 1995.

Furthermore, pursuant to Tenn. Code Ann. § 65-5-212, a competing telecommunications provider is required to file with the Authority (1) a plan containing the provider's plan for purchasing goods and services from small and minority-owned telecommunications businesses; and (2) information on programs that might provide technical assistance to such businesses.

Notwithstanding the existence of subsection (d), the Federal Communications Commission ("FCC") has expressly preempted the Authority's enforcement of subsection (d) pursuant to the authority granted to the FCC under 47 U.S.C. § 253(d). See In Re: AVR, L.P. d/b/a Hyperion of Tennessee, L.P. Petition for Preemption of Tennessee Code Annotated Section 65-4-201(d) and Tennessee Regulatory Authority Decision Denying Hyperion's Application Requesting Authority to Provide Service in Tennessee Rural LEC Service Area, FCC 99-100, FCC Memorandum Opinion and Order (May 27, 1999); FCC Memorandum Opinion and Order (January 8, 2001).

The Authority has since issued an order expanding a competing local exchange carrier's CCN to provide telecommunications services on a statewide basis including areas served by incumbent local exchange carriers with fewer than 100,000 total access lines in Tennessee. See Order Approving Application of Level 3 Communications, L.L.C. to Amend Its Certificate of Public Convenience and Necessity, Authority Docket No. 02-00230 (June 28, 2002).

CSID: 615-253-3857 16:02, p 4

INTERVENORS

To: 912143557259

Public notice of the Hearing in this matter was issued by the Hearing Officer on July 25, 2002, pursuant to Tenn. Code Ann. § 65-4-204. No interested persons sought intervention prior to or during the Hearing.

COMM SOUTH COMPANIES, INC.'S HEARING

Comm South's Application was uncontested. At the Hearing held on August 6, 2002, Comm South was not represented by legal counsel. Mr. Rick Brown, Chief Technology Officer of Comm South, participated in the Hearing telephonically, presented testimony, and was subject to examination by the Hearing Officer. Upon Comm South's conclusion of proof in its case, the Hearing Officer granted Comm South's Application based upon the following findings of fact and conclusions of law:

I. APPLICANT'S QUALIFICATIONS

- Comm South is a corporation organized under the laws of Texas on March 17,
 1995, and was qualified to transact business in Tennessee on July 3, 1997.
- 2. The complete street address of Comm South's principal place of business is 6830 Walling Lane, Dallas, TX 75231. The phone number is (214) 355-7000 and fax number is (214) 355-7259.
- 3. The Application and supporting documentary information existing in the record indicate that Comm South has the requisite technical and managerial ability to provide facilities-based local exchange telecommunications services within the State of Tennessee. Specifically, Comm South's senior management team possesses extensive business, technical, operational and regulatory telecommunications experience.

CSID: 615-253-3857 16:02, p 5

4. Comm South has the necessary capital and financial ability to provide the services it proposes to offer.

5. Comm South has represented that it will adhere to all applicable policies, rules and orders of the Authority.

II. PROPOSED SERVICES

To: 912143557259

Comm South intends to offer competing facilities-based local exchange telecommunications services to its customers throughout the State of Tennessee.

III. PERMITTING COMPETITION TO SERVE THE PUBLIC CONVENIENCE AND NECESSITY

Upon a review of the Application and the record in this matter, the Hearing Officer finds that approval of Comm South's Application would inure to the benefit of the present and future public convenience by permitting competition in the telecommunications services markets in the State and by fostering the development of an efficient technologically advanced statewide system of telecommunications services.

IV. SMALL AND MINORITY-OWNED TELECOMMUNICATIONS BUSINESS PARTICIPATION PLAN & BUSINESS ASSISTANCE PROGRAM

- 1. Comm South has filed a satisfactory small and minority-owned telecommunications business participation plan, pursuant to Tenn. Code Ann. § 65-5-212 and the Authority's Rules.
- 2. Comm South has acknowledged its obligation to contribute to the funding of the small and minority-owned telecommunications business assistance program, as set forth in Tenn. Code Ann. § 65-5-213.

To: 912143557259 CSID: 615-253-3857 16:02, p 6

IT IS THEREFORE ORDERED THAT:

- 1. The Application of Comm South Companies, Inc. is approved; and
- 2. Any party aggrieved by the Hearing Officer's decision in this matter may file a Petition for Reconsideration within fifteen (15) days from and after the date of this Order.

Jon Wike, Hearing Officer

EXHIBIT D

List of Principal Corporate Officers and Directors

Applicant's Directors and Officers are listed below:

DIRECTORS and OFFICERS				
Name	Title	Address		
Kwok-Leung Li	Chairman of the Board	% Linsang Partners, LLC		
		8401 Colesville Road		
	· ·	Suite 750		
		Silver Spring, MD 20910		
John E. McClure	Director	% Comm South		
	President/CEO	Companies, Inc.		
		6830 Walling Lane		
		Dallas, Texas 75231		
Barry A. Amrich	Secretary/Treasurer	% Comm South		
·		Companies, Inc.		
		6830 Walling Lane		
		Dallas, Texas 75231		

EXHIBIT E

Biographies of Principal Officers and Other Key Managerial and Technical Staff

Applicant possesses the managerial and technical ability to provide facilities-based local telecommunications services in Illinois. Applicant's operations will be directed by a team of professional, technical, and operations personnel. Several of these individuals have significant experience in providing telecommunications service. Following are brief biographies, including education and experience, of the key management and technical personnel of Applicant.

John McClure, President and Chief Operating Officer – Mr. McClure is currently President and Chief Executive Officer for Comm South Companies, Inc.. He has had over 25 years of executive management experience in the Manufacturing and High Tech industries holding such positions with Electronic Data Systems, Rand McNally & Company, Engenius and Wintegrity, Inc. His accomplishments have included the Chief Operating Officer role for such new products as GM OnStar, a wireless telecommunications automotive product. He has expertise in finance, accounting, marketing and business operations. Mr. McClure majored in accounting and finance at the University of Iowa. He currently serves on the executive board of directors of international non-profit companies.

Rick Brown, Chief Technical Officer – Mr. Brown has over 25 years experience in the telecommunications industry, including local, data and broadband services. He currently serves as Chief Technology Officer for Comm South and is responsible for all business development, new products and services, and emerging technologies. Mr. Brown was employed by Sprint for 19 years and has held several senior level positions with TCG, e.spire and BroadbandNOW. Mr. Brown has served on the Board of Directors of the National ALEC Association/Pre-Paid Companies of America (NALA/PCA), past Executive Steering Committee Member - SWB CLEC User Forum, and recently elected into the Who's Who of International Business Leaders.

Barry Amrich – Controller - Mr. Amrich has over 25 years of financial management experience (2 years of which are in the telecommunications industry), with the last fifteen years in senior level finance and accounting positions. Mr. Amrich's career has included all of the traditional areas of accounting and finance, as well as experience in financing foreign transactions such as, Euro-Dollar syndications and foreign government secured export sales to the U.S. His most recent experience was that of Controller and CFO for a research and development company holding proprietary patents in centrifuge technology, and as a senior business consultant for a national consulting firm. Mr. Amrich holds a degree in business and accounting from the University of Baltimore and passed the Texas CPA exam in 1980.

EXHIBIT E

Biographies of Principal Officers and Other Key Managerial and Technical Staff (Cont'd)

Marty Oakes, Senior Director of Operations – Mr. Oakes has over 5 years experience in the prepaid local telecommunications industry with responsibilities ranging from Director of Regulatory Affairs, Assistant Controller and Director of Operations. He currently serves as Sr. Director of Operations for Comm South Companies with responsibilities ranging from day to day operations of provisioning and credit departments, director of information systems and facilities management, and development of new business processes. Mr. Oakes has experience in entrepreneurial development of several businesses with responsibilities from securing funding, financial management, operational management and business development. Mr. Oakes is currently a partner in several businesses ranging from oil and gas exploration to retail and business services. Mr. Oakes holds a BBA in Business Management from Texas Christian University.

Sheri Pringle - Director, Regulatory Affairs/Carrier Relations/Carrier Operations:

Mrs. Pringle has over 19 years experience in the telecommunications industry, including local communications and broadband services. She currently serves as Director of Regulatory Affairs/Carrier Relations for Comm South Companies and is responsible for all legal, regulatory, and compliance issues as well as carrier relations/negotiations. Mrs. Pringle is also Director of Carrier Operations and is responsible for the provisioning of local and long distance service orders. Mrs. Pringle was with Sprint Telephone Company for 16 years in various positions and departments including customer service, engineering/construction, and regulatory affairs. Mrs. Pringle also served as Senior Manager of Provisioning for BroadbandNOW, Inc.

EXHIBIT F

Financial Statements

In support of its financial qualifications, Comm South submits its most recent Financial Statements, attached hereto

Comm South Companies, Inc. Balance Sheet For Year Ending December 31, 2002 UNAUDITED

ASSETS:	December 2002
Cash and Short-term Investments	1,033,674
Accounts Receivable	2,901,855
Allowance for Bad Debts	(588,455)
Net Accounts Receivable	2,313,400
Other Current Assets	297,382
Total Current Assets	3,644,456
Fixed Assets	4,519,575
Goodwill	-
Other Intangibles	-
Less: Accumulated Depreciation & Amortization	(3,012,955)
Net Property Plant & Equipment	1,506,620
Accounts Receivable-Arbros	-
Inter Company AR - Topp	-
Inter Company AR - TelMex	-
Inter Company AR - CompUSA	0
Other Assets - Intercompany	0
TOTAL ASSETS	5,151,075
LIABILITIES:	
Accounts Payable	7,166,476
Accrued Expenses	3,837,974
Taxes Payable	1 516 154
Deferred Revenue	1,516,154 1,306,395
Current Portion of Notes Payable	184,694
Total Current Liabilities	14,011,692
Notes Payable - Long Term	820,160
Loan from Parent	34,715,308
Loan from Tel Mex	0
TOTAL LIABILITIES	49,547,160
STOCKHOLDERS' EQUITY:	
Common Stock	1,000
Retained Earning	(39,994,475)
Net Income	(4,402,610)
TOTAL STOCKHOLDERS' EQUITY	(44,396,085)
TOTAL Liabilities & Equity	5,151,075

Comm South Companies, Inc. Income Statement For the Year ending 12/31/02 UNAUDITED	ACTUAL YTD
ONAGBITES	2002
Customers Billed for Current Month	67,111
New Signups	23,633
Customer Churn	(61,775)
Ending Number of Customers	28,969
Average Number of Customers	48,040
Customer Churn Percentage	-11.06%
New Billed	24,284
Number of Employees	92
REVENUE	
Local Service	26,817,813
	26,817,813
Cost of Goods Sold	
Line Costs	11,302,136
Average Cost per Customer -(Ex-Taxes)	21.22
Total COGS	11,302,136
Gross Margin	15,515,677
on occ margin	57.9%
	0,7.070
Cost of Sales	
Agent Sign-up Fee & Agent Commission	1,480,108
Advertising	17,435
Total Cost of Sales	1,497,543
Cost of Operations	
Customer Service Salaries	E22 400
Operations Salaries	522,499 1,537,875
Long Distance	325,700
3rd Party Call Center/Customer Processing	1,914,968
on any can contain accommon to too coming	1,314,300
Total Cost of Operations	4,301,042
SG&A	
Other MKT and Advertising	- 207,000
SG&A Wage Expense	287,000 2,331,811
Bad Debts	3,786,329
Other G&A	3,232,024
(includes one time/non recurring expenses)	0,202,024
Total SG&A	9,637,165
	-,,,.00
EBITDA	70.007
LUITUA	79,927

Comm South Companies, Inc. Income Statement	
For the Year ending 12/31/02 UNAUDITED	ACTUAL YTD 2002
Non Operating Income/(Expenses)	American Company of Street and Table American Company (American Company)
Depreciation	(936,364)
Amortization	(420,914)
Interest Expense	(2,620,286)
Interest Income	41,041
Other Income/(Expense)	(848,943)
Gain(Loss) on Asset Disposal	189,799
Non Operating Income/(Expenses)	(4,595,666)
Income before Taxes	(4,515,739)
Taxes on Income	113,130
Net Income After Taxes	(4,402,610)

Comm South Companies, Inc. Cash Flow Statement For Year 2002 - Unaudited	YTD 2002
Cash Flows form Operating Activities:	
Net loss for the year Adjustments to reconcile net loss to net cash provided by operating activities:	4,402,610
Depreciation and amortization Decrease (Inc) in accounts receivable, net Decrease (Inc) in prepaid expenses and other assets Increase (Dec) in accounts payable Increase (Dec) in accrued expenses Increase (Dec) in accrued telecom taxes Increase (Dec) in deferred revenue Increase (Dec) in other long term liabilities Other	1,026,000 1,268,399 581,296 (1,235,080) 2,623,436 104,328 (2,088,268) 153,936
Net cash provided by operating activities	(1,968,563)
Cash Flows form Investing Activities:	
Purchases of property and equipment Adjustment to Common Stock and Retained Earnings	102,997
Net cash used in investing activities	102,997
Cash Flows form Financing Activities:	
Increase in Arbros Loans Repayment of Note Payable to Vendor	(83,826) 455,373
Net cash provided by financing activities	371,547
Net increase (decrease) in cash	(1,494,018)
Cash, beginning of period	1,945,793

Cash, end of period

451,775

EXHIBIT G

Proposed Interexchange Tariff

Attached hereto, as Exhibit G, is Applicant's proposed Interexchange Tariff.

COMM SOUTH COMPANIES, INC.

d/b/a Comm South in Tennessee

REGULATIONS AND SCHEDULE OF INTRASTATE CHARGES APPLYING TO INTEREXCHANGE SERVICES WITHIN THE STATE OF TENNESSEE

Issued: May 27, 2003

Effective:

CHECK SHEET

Sheets of this Tariff are effective as of the date shown at the bottom of the respective sheet(s). Original and revised sheets, as named below, comprise all changes from the original Tariff that are currently in effect as of the date on the bottom of this sheet.

	NUMBER OF REVISION	EFFECTIVE
<u>PAGE</u>	(Except as indicated)	DATE
		T 10 < 100
1	Original	5/26/03
2	Original	5/26/03
3	Original	5/26/03
4	Original	5/26/03
5	Original	5/26/03
6	Original	5/26/03
7	Original	5/26/03
8	Original	5/26/03
9	Original	5/26/03
10	Original	5/26/03
11	Original	5/26/03
12	Original	5/26/03
13	Original	5/26/03
14	Original	5/26/03
15	Original	5/26/03
16	Original	5/26/03
17	Original	5/26/03
18	Original	5/26/03
19	Original	5/26/03
20	Original	5/26/03
21	Original	5/26/03
22	Original	5/26/03
23	Original	5/26/03

^{*}Indicates tariff pages included with this filing.

Issued: May 26, 2003

Effective:

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SECTION 4 – RATES	23

EXPLANATION OF SYMBOLS

The following symbols shall be used in this Tariff for the purpose indicated below:

C	, -	To signify changed regulation
D	-	To signify deleted or discontinued rate or regulation
I	-	To signify increased rate
M	<u>-</u>	To signify a move in location of text
N	-	To signify new rate or regulation
R	· -	To signify reduced rate
S	-	To signify reissued matter
T	-	To signify a change in text, but no change in rate or regulation

The following are abbreviations used in this Tariff.

LATA - Local Access and Transport Area

Issued: May 26, 2003

Effective:

TARIFF FORMAT

- A. <u>Sheet Numbering</u>. Sheet numbers appear in the upper-right corner of the sheet. Sheets are numbered sequentially. However, new Sheets are occasionally added to the tariff. When a new Sheet is added, the Sheet appears as a decimal. For example, a new Sheet added between Sheets 14 and 15 would be 14.1.
- B. <u>Sheet Revision Numbers</u>. Revision numbers also appear in the upper-right corner of the Sheet. These numbers are used to determine the most current Sheet version on file with the Commission. For example, the 4th revised Sheet 14 cancels the 3rd revised Sheet 14. Because of various suspension periods, deferrals, etc., the Commission follows in their Tariff approval process, the most current Sheet number on file with the Commission is not always the tariff page in effect.
- C. <u>Paragraph Numbering Sequence</u>. There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level of coding.
 - 2.
 - 2.1.
 - 2.1.1.
 - 2.1.1.A.
 - 2.1.1.A.1.
 - 2.1.1.A.1.(a)
 - 2.1.1.A.1.(a).I.
 - 2.1.1.A.1.(a).I.(i)
 - 2.1.1.A.1.(a).I.(i)(1)

Issued: May 26, 2003

Effective:

APPLICATION OF TARIFF

This Tariff sets forth the service offerings, rates, terms and conditions applicable to the furnishing of Intrastate Interexchange Telecommunications Services provided by Comm South Companies, Inc. d/b/a Comm South in Tennessee, with principal offices at 6830 Walling Lane, Dallas, Texas 75231. This Tariff applies to services furnished in the State of Tennessee. This Tariff is on file with the Tennessee Public Service Commission, and copies can be inspected, during normal business hours, at Carrier's principal place of business.

Issued: May 26, 2003 Effective:

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

<u>Application for Service</u> – A standard order form which includes all pertinent billing, technical and other descriptive information which will enable Carrier to provide telecommunication service as required.

<u>Carrier</u> – Comm South Companies, Inc. d/b/a Comm South in Tennessee ("Carrier"), unless the context indicates otherwise.

<u>Commission</u> - Tennessee Public Service Commission, unless context indicates otherwise.

<u>Customer</u> – The person, firm, corporation, or other entity which orders or uses service and is responsible for the payment of rates and charges and compliance with Tariff regulations.

<u>Disconnection</u> – The disconnection of a circuit, dedicated access line, or port connection being used for existing service.

<u>Holiday</u> – Carrier specified holidays are New Year's Day, Martin Luther King's Birthday (federally observed), President's Day, Memorial Day (federally observed), Independence Day, Labor Day, Columbus Day, Veterans' Day, Thanksgiving Day, and Christmas Day.

<u>Individual Case Basis (ICB)</u> – A service arrangement in which the regulations, rates and charges are developed on the specific circumstances of Customer's situation.

<u>LATA</u> – A local access and transport area established pursuant to the Modification of Final Judgment entered by the United States District Court for the District of Columbia in Civil Action No. 82-01912 for the provision and administration of communications services.

<u>Premises</u> – The space designated by a Customer as its place or places of business for termination of service (whether for its own communications needs or for its resale Customers). In the case of a non-profit sharing group, this term includes space at each sharer's place or places of business, as well as space at Customer place of business.

<u>Service or Services</u> – The services covered by this Tariff shall include only the State of Tennessee.

<u>Tariff</u> – This Tariff containing the descriptions, regulations and rates applicable to the furnishing of service and facilities for telecommunications services provided by Carrier, unless the context indicates otherwise.

<u>Terminal Equipment</u> – Telecommunications devices, apparatus, and their associated wiring, such as teleprinters, telephone, and data sets.

Issued: May 26, 2003 Effective: _____

SECTION 2 – RULES AND REGULATIONS

2.1 <u>UNDERTAKING OF CARRIER</u>

2.1.1 <u>Scope</u>

Carrier is a resale common carrier providing intrastate telecommunications services to Customers within the State of Tennessee for their direct transmission and reception of voice, data, and other types of telecommunications. Service is available 24 hours a day, seven days a week, throughout the state.

Carrier is responsible under this Tariff only for the services and facilities provided herein. Should Customers use such services and facilities to obtain access to services offered by other providers, Carrier assumes no responsibility for such other service.

2.1.2 Shortage of Equipment or Facilities

- A. Carrier reserves the right to limit or allocate the use of existing facilities, or of additional facilities offered by Carrier when necessary because of lack of facilities or due to some other cause beyond Carrier's control.
- B. The furnishing of service under this Tariff is subject to availability on a continuing basis of all necessary facilities from providers to Carrier for resale.

2.2 TERMS AND CONDITIONS

- 2.2.1 Another telephone company must not interfere with the right of any person or entity to obtain service directly from Carrier.
- 2.2.2 Customer has no property right to the telephone number or any other call number designation associated with services furnished by Carrier. Carrier reserves the right to change such numbers, or the central office designation associated with such numbers, or both, assigned to Customer, whenever the Carrier deems it necessary to do so in the conduct of its business.
- 2.2.3 Neither the Carrier nor Customer may assign or transfer its rights or duties in connection with the services and facilities provided by the Carrier without the written consent of the other party, except that the Carrier may assign its rights and duties (a) to any subsidiary, parent Carrier or affiliate of the Carrier; (b) pursuant to any sale or transfer of substantially all the assets of the Carrier; or (c) pursuant to any financing, merger or reorganization of the Carrier. An assignment or transfer of services will include for the customer, the same customer services for which the customer contracted, at the same rates, for at least a limited time. The customer will be notified of the time limitation, the assignment, and the customer will be given the option to change its service provider.

Issued: May 26, 2003 Effective: _____

SECTION 2 - RULES AND REGULATIONS (Cont'd)

2.2 <u>TERMS AND CONDITIONS (Cont'd)</u>

2.2.4 <u>Use of Service</u>

Service may not be used for any unlawful purposes or for any purpose for which any payment or other compensation is received by Customer, except when Customer is a duly authorized and regulated common carrier. This provision does not prohibit an arrangement between Customer, authorized user, or joint user to share the cost of the service as long as the arrangement generates no profit for any participant in the arrangement.

A. <u>Minimum Service Period</u>

The minimum period of service is one month (30 days), unless otherwise stated in this Tariff.

B. At the expiration of any term specified in a Customer Service Agreement, or in any extension thereof, service shall continue on a month to month basis at the then current rates. Any termination of service shall not relieve Customer of its obligation to pay any charges incurred under the Agreement and this Tariff prior to termination. The rights and obligations which by their nature extend beyond the termination of the term of the Agreement shall survive such termination. Cancellation notice requirements will be specified in the written contract or service agreement.

2.3 <u>LIMITATIONS OF SERVICE</u>

- 2.3.1 Carrier offers service to all those who desire to purchase service from Carrier consistent with all provisions of this Tariff. Customers or subscribers interested in Carrier's services shall file a service application with Carrier which fully satisfies Carrier and identifies the services required.
- 2.3.2 Service is offered subject to the availability on a continuing basis of all necessary facilities and/or equipment from other telecommunications providers to Carrier for resale and subject to the provisions of this Tariff. Carrier reserves the right not to provide service to or from a location where legally prohibited or the necessary facilities or equipment are not available.
- 2.3.3 Carrier reserves the right to discontinue furnishing service, upon a written notice, when necessitated by conditions beyond its control, or when Customer is using the service in violation of any provision in this Tariff, the rules and regulations of the Commission, or the law.
- 2.3.4 Title to all facilities provided by Carrier under these regulations remains with carrier. Prior written permission from Carrier is required before any assignment or transfer. All regulations and conditions contained in this Tariff shall apply to all such permitted assignees or transferees, as well as all conditions for service.

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SECTION 2 - RULES AND REGULATIONS (Cont'd)

2.4 <u>LIABILITIES OF CARRIER</u>

- 2.4.1 The liability of the Carrier for damages arising out of the furnishing of its services, including but not limited to mistakes, omissions, interruptions, delays, or errors, or defects in any service, facility, or transmission provided under the Tariff, or representations by Carrier, or use of these services or damages arising out of the failure to furnish the service whether caused by acts or omission, shall not exceed an amount equivalent to the proportionate charge to Customer for the period of service or the facility provided during which such mistake, omission, interruption, delay, error, or defect occurs. For the purpose of computing this amount, a month is considered to have 30 days. The extension of such allowances for interruption shall be the sole remedy of Customer and the sole liability of Carrier for any direct, indirect, incidental, special, consequential, special, exemplary or punitive damages, or for any lost profits, even if advised of the possibility of the same, as a result of any Carrier service, equipment or facilities, or the acts or omissions or negligence of Carrier's employees or agents.
- 2.4.2 The Company's liability for willful misconduct, if established as a result of judicial or administrative proceedings, is not limited by this Tariff. With respect to any other claim or suit, by a Customer or by others, for damages associated with the ordering (including the reservation of any specific number for use with a service), installation (including delays thereof), provision, termination, maintenance, repair, interruption or restoration of any service or facilities offered under this Tariff, and subject to the provisions of this Section, Carrier's liability, if any, shall be limited as provided herein.
- 2.4.3 The entire liability of the Company for any claim, loss, damage or expense from any cause whatsoever shall in no event exceed sums actually paid to the Company by Customer for the specific services giving rise to the claim, and no action or proceeding against the Company shall be commenced more than one year after the service is rendered.
- 2.4.4 Carrier shall not be liable for any claim of loss, expense, or damage, due to any interruption, delay, error, omission, or other defect in service, facility, or transmission provided under this Tariff, if caused by any person or entity other than Carrier, any malfunction of any service or facility provided by any other carrier, act of God, fire, war, civil disturbance, act of government, or by any other cause beyond Carrier's control.
- 2.4.5 The Carrier shall not be liable for any act or omission of any other company or companies furnishing a portion of the service, or for damages associated with service, channels, or equipment which it does not furnish, or for damages which result from the operation of Customer-provided systems, equipment, facilities or services which are interconnected with Carrier services.
- 2.4.6 The Carrier shall not be liable for any defacement of or damage to Customer premises resulting from the furnishing of services of equipment on such premises or the installation or removal thereof, unless such defacement or damage is caused by gross negligence or willful misconduct of the Carrier's agents or employees. No agents or employees of other participating carriers shall be deemed to be agents or employees of the Carrier.

Issued: May 26, 2003 Effective:

SECTION 2 - RULES AND REGULATIONS (Cont'd)

2.4 <u>LIABILITIES OF CARRIER (Cont'd)</u>

- 2.4.7 The Carrier shall not be liable for any delay or failure of performance or equipment due to causes beyond its control, including but not limited to: acts of God, fire, flood, explosion or other catastrophes; and law, order, regulation, direction, action or request of the United States government or of any other government, including state and local governments having or claiming jurisdiction over Carrier, or of any department, agency, commission, bureau, corporation or other instrumentality of any one or more of these federal, state, or local governments, or of any military authority, preemption of existing service in compliance with national emergencies; insurrections, riots; wars; unavailability of rights-of-way or materials, or strikes, lockouts, work stoppages, or other labor difficulties.
- 2.4.8 The Carrier shall not be liable for any act or omission of any entity furnishing Carrier or the Carrier's Customers facilities or equipment used for or with the services the Carrier offers or for the acts of or omissions of other common carriers or warehousemen.
- 2.4.9 The Carrier shall not be liable for any act or omission of any other company or companies furnishing a portion of the service, or for damages associated with the service, channels, or equipment which it does not furnish, or for damages which result from the operation of Customer-provided systems, equipment, facilities or services.
- 2.4.10 Carrier shall not be liable for and shall be fully indemnified, held harmless, and defended by Customer or by others authorized by it to use the service against any claim, loss, expense, or damage, including indirect, special, or consequential damage for:
 - A. Defamation, libel, slander, invasion of privacy, infringement of copyright or patent, unauthorized use of trademark, trade name, or service mark, unfair competition; interference with or misappropriation, or violation of any contract, proprietary or creative right, or any other injury to any person, property, or entity arising from the material, data, information, or content, revealed to, transmitted, processed, handled, or used by Carrier under this Tariff;
 - B. All other claims arising out of any act or omission of Customer or others, in connection with any service provided by the Carrier pursuant to this Tariff.
 - C. Connecting, combining, or adapting Carrier's facilities with Customer's apparatus or systems;
 - D. Any act or omission of Customer or others, in connection with any service provided by Carrier pursuant to this Tariff; or

Issued: May 26, 2003 Effective:

SECTION 2 - RULES AND REGULATIONS (Cont'd)

2.4. <u>LIABILITIES OF CARRIER (Cont'd)</u>

2.4.10 (Continued)

- E. any personal injury or death of any person or for any loss of or damage to Customer's premises or any other property, whether owned by Customer or others, caused directly or indirectly by the installation, maintenance, location, condition, operation, failure, presence, use, or removal of equipment or wiring provided by Carrier, if not caused by gross negligence of Carrier.
- 2.4.11 The Customer shall indemnify and hold the Carrier harmless from any and all loss, claims, demands, suits or other action, or any liability whatsoever, whether suffered, made, instituted, or asserted by any other party or person(s), and for any loss, damage, or destruction of any property, whether owned by the Customer or others, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, removal, condition, location or use of any installation provided by Carrier. Carrier reserves the right to require each Customer to sign an agreement acknowledging acceptance of the provisions of this section as a condition precedent to such installations.
- 2.4.12 Carrier shall not be liable for any damages, including usage charges, that Customer may incur as a result of the unauthorized use of its Authorization Code(s) by others. The unauthorized use of Customer Authorization Code(s) includes, but is not limited to, the placement of calls using Customer's Authorization Code(s) without the authorization of the Customer. Customer shall be fully liable for all such usage charges.
- 2.4.13 No agent or employee of any other carrier shall be deemed to be an agent or employee of the Carrier.
- 2.4.14 CARRIER MAKES NO WARRANTY REGARDING THE PROVISION OF SERVICE PURSUANT TO THIS TARIFF, INLCUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

Issued: May 26, 2003

Effective:

SECTION 2 - RULES AND REGULATIONS (Cont'd)

2.5 <u>RESPONSIBILITY OF THE CUSTOMER</u>

- 2.5.1 All Customers assume general responsibilities in connection with the provision and use of Carrier's service. When facilities, equipment, and/or communications systems provided by others are connected to Carrier's facilities, Customer assumes additional responsibilities. Customers are responsible for the following:
 - A. Customer is responsible for placing orders for service, paying all charges for service rendered by Carrier, and complying with Carrier's regulations governing the service. Customer is also responsible for assuring that its users comply with regulations.
 - B. When placing an order for service, Customer must provide:
 - 1. the name(s) and address(es) of the person(s) responsible for the payment of service charges; and
 - 2. the name(s), telephone number(s), and address(es) of the Customer contact person(s); and
 - C. Customer must pay Carrier for the replacement or repair of Carrier's equipment when the damage results from:
 - 1. the negligence or willful act of Customer or user;
 - 2. improper use of service; or
 - any use of equipment or service provided by others.

2.5.2 Availability of Service for Maintenance, Testing, and Adjustment

Upon reasonable notice, the facilities provided by Carrier shall be made available to Carrier for such tests and adjustments as may be necessary to maintain them in satisfactory condition. No interruption allowance will be granted for the time during which such tests and adjustments are made.

2.5.3 <u>Cancellation by Customer</u>

A. Customer may cancel service any time after meeting the minimum service period. Termination charges will apply if Customer cancels prior to the expiration of a one-year or multi-year service agreement. Such termination charge will be equal to one month's usage as projected in Carrier's proposal for service, or the actual average monthly usage to date, whichever is higher, plus the monthly account charge for the remainder of the contract period. Termination liabilities will be specified in the written contract or service agreement.

Issued: May 26, 2003 Effective:

SECTION 2 - RULES AND REGULATIONS (Cont'd)

2.5 <u>RESPONSIBILITY OF CUSTOMER</u> (Cont'd)

2.5.3 <u>Cancellation by Customer</u> (Cont'd)

B. If Customer orders service requiring special facilities dedicated to Customer's use and then cancels the order before the service begins, before completion of the minimum service period, or before completion of some other period mutually agreed upon by Customer and Carrier, a charge will be made to Customer for the non-recoverable portions of expenditures, or liabilities incurred expressly on behalf of Customer by Carrier and non fully reimbursed by installation and monthly charges. If, based on the order, any construction has either begun or been completed, but no service provided, the non-recoverable costs of such construction shall be borne by Customer. Such charge will be determined on a case-by-case basis.

2.5.4 Payment and Charges for Service

- A. Payment for Service is made in advance by Customer at the time Carrier's prepaid services are initially purchased or replenished.
- B. Customer is responsible for payment of all charges for service furnished to Customer or Authorized Users, including but not limited to all calls originated at Customer's number(s); received at Customer's number(s); billed to Customer's number(s) via third-party billing; incurred at the specific request of Customer; or placed using a calling card issued to Customer. If an entity other than Carrier imposes charges on Carrier, in addition to its own internal costs, in connection with a service for which a Carrier Non-Recurring Charge is specified, those charges may be passed on to Customer. The initial billing may include the account set-up charge where applicable. Charges based on actual usage during a month will be billed monthly in arrears. All fixed monthly and nonrecurring charges for services ordered will be billed monthly in advance.
- C. The security of Customer's Authorization Code(s) is the responsibility of Customer. All calls placed using Customer's Authorization Code(s) shall be deducted from Customer's account.
- D. Customers may pay for service by credit/debit card, an authorized payment agent, check by phone or personal check.
- E. The Customer is liable for all costs associated with collecting past due charges, including all attorneys' fees. Payment will be due upon receipt of the statement. A nonrecurring 1.5 percent per month penalty fee (unless a lower rate is prescribed by law in which event at the highest rate allowable by law) will accrue upon any unpaid amount commencing twenty (20) days after rendition of the bill.

Issued: May 26, 2003	
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SECTION 2 - RULES AND REGULATIONS (Cont'd)

2.5 <u>RESPONSIBILITY OF CUSTOMER</u> (Cont'd.)

2.5.5 Application of Charges

The charges for service are those in effect for the period that service is furnished. If the charge for a period covered by a bill changes after the bill has been rendered, the bill will be adjusted to reflect the new charges.

2.5.6 <u>Disputed Bills</u>

Customer shall notify Carrier of any disputed items on a bill within 30 days. Carrier shall promptly investigate all disputed charges and shall report its findings and disposition to Customer. If Customer and Carrier are unable to resolve the dispute to their mutual satisfaction, Customer may file a complaint with the Tennessee Public Service Commission.

A. The date of the dispute shall be the date Carrier receives sufficient documentation to enable it to investigate the dispute. The date of the resolution is the date Carrier completes its investigation and notifies Customer of the disposition of the dispute.

2.6 <u>RESPONSIBILITY OF CARRIER</u>

Issued: May 26, 2003

2.6.1 <u>Disconnection of Service by Carrier</u>

Carrier may discontinue service or cancel an application for service without incurring any liability for any of the following reasons:

- A. Upon five (5) days' written notice for non-payment of any regulated delinquent amounts owing to Carrier for service rendered to the Customer.
- B. Without notice in the event of a condition on the Customer's premise determined by Carrier to be hazardous:
- C. Without notice, in the event of Customer use of equipment in such a manner as to adversely affect Carrier's equipment or Carrier's service to others;
- D. Without notice, in the event of tampering with the equipment furnished and owned by Carrier;
- E. Without notice, in event of unauthorized use;

Dallas, Texas 75231

- F. For failure of the Customer to permit Carrier reasonable access to its equipment for inspection, securing of meter reading, etc.
- G. For violation of and/or noncompliance with Carrier's rules on file with and approved by the Commission; and

By: Sheri Pringle, Director-Regulatory Affairs Comm South Companies, Inc. 6830 Walling Lane	Effective:

SECTION 2 - RULES AND REGULATIONS (Cont'd)

2.6 <u>RESPONSIBILITY OF CARRIER (cont'd.)</u>

2.6.1 <u>Disconnection of Service by Carrier (Cont'd)</u>

- H. For failure of the Customer to fulfill his contractual obligations for service and/or facilities subject to regulation by the Commission.
- I. In the event service is discontinued due to a hazardous condition through no fault of the Customer, no reconnect charge will apply.
- J. In conformance with Rule 13 of the General Rules of the Commission, Carrier will provide the Customer with a reasonable time in which to comply with the foregoing rules prior to any discontinuation of service.
- K. The suspension or discontinuation of service(s) by Carrier pursuant to this section does not relieve the Customer of any obligation to pay Carrier for charges due and owing for services furnished during the time of or up to suspension or discontinuance.
- L. Upon Carrier's discontinuance of service to the Customer, all applicable charges, including termination charges, shall become due. This is an addition to all other remedies that may be available to Carrier at law or in equity or under any other provision of this Tariff.

The suspension or discontinuance of service(s) by Carrier pursuant to this Section does not relieve Customer of any obligation to pay carrier for charges due and owing for service(s) furnished during the time of or up to suspension or discontinuance. Upon Carrier's discontinuance of service to Customer under this Section, all applicable charges shall become due. This is in addition to all other remedies that may be available to the Company at law or in equity or under any other provision of this Tariff.

2.6.2 <u>Credit Upon Cancellation</u>

Where Carrier cancels a service and the final service period is less than the monthly billing period, a credit will be issued for any amounts billed in advance, prorated at $1/30^{th}$ of the monthly recurring charge for each day after the service was discontinued. This credit will be issued to Customer or applied against the balance remaining on Customer's account.

Issued: May 26, 2003 Effective:

SECTION 2 - RULES AND REGULATIONS (Cont'd)

2.7 <u>INTERRUPTION OF SERVICE</u>

Credit allowance for interruption of service which is not due to the negligence of Customer or to the failure of channels, equipment, and/or communications systems provided by Customer and other carriers are subject to the general liability provisions set forth in Section 2.4 herein. It shall be the obligation of Customer to notify Carrier immediately of any interruption in service for which a credit allowance is desired by Customer. Before giving such notice, Customer shall ascertain that the trouble is not in wiring or equipment, if any, furnished by Customer and connected to Carrier's terminal.

2.7.1 <u>Credit Allowances</u>

- A. Credit for failure of service or equipment will be allowed only when failure is caused by or occurs in facilities or equipment owned, provided and billed for, by the Carrier.
- B. Credit allowances for failure of service or equipment starts when the Customer notifies the Carrier of the failure or when the Carrier becomes aware of the failure and ceases when the operation has been restored and an attempt has been made to notify the Customer.
- C. Customer shall notify Carrier of failures of service or equipment and make reasonable attempts to ascertain that the failure is not caused by the Customer provided facilities, any act or omission of the Customer, or in wiring or equipment connected to the terminal.
- D. Only portions of the service or equipment disabled will be credited. No credit allowances will be made for:
 - 1. interruptions of service resulting from Carrier performing routine maintenance;
 - 2. interruptions of service for implementation of a Customer order for a change in service;
 - 3. interruptions caused by negligence of Customer or his authorized user; or
 - 4. interruptions of service because of the failure of service or equipment provided by Customer, authorized user, or other carriers.

Issued: May 26, 2003 Effective: ____

SECTION 2 – RULES AND REGULATIONS (Cont'd)

2.7 <u>INTERRUPTION OF SERVICE (Cont'd)</u>

2.7.2 <u>Calculation of Credit Allowance</u>

Pursuant to limitations set forth in Section 2.7.1, when service is interrupted the credit allowance will be computed on the following basis:

- A. No credit shall be allowed for an interruption of less than two hours.
- B. Customer shall be credited for an interruption of two hours or more for as long as the interruption continues.
- C. When a minimum usage charge is applicable and Customer fails to meet the minimum usage charge because of a service interruption, a credit shall be applied against that minimum usage charge in the following manner. For each period of two hours that the interruption continues the credit shall equal 1/360th of the monthly minimum charge. Note: in this instance a fractional period of more than one hour shall be treated as a two hour period.
- D. If notice of a dispute as to charges is not received in writing by Carrier within 30 days after billing is received by the Customer, the invoice shall be considered correct and binding on the Customer, unless extraordinary circumstances are demonstrated. Any disputed charges that cannot be resolved between Customer and Carrier may be appealed to the Commission.

2.8 <u>RESOTRATION OF SERVICE</u>

2.8.1 The use and restoration of service in emergencies shall be in accordance with the priority system specified in Part 64, Subpart D of the Rules and Regulations of the Federal Communications Commission.

Issued: May 26, 2003 Effective:

SECTION 2 - RULES AND REGULATIONS (Cont'd)

2.9 TAXES AND SURCHARGES

Customer is responsible for payment of any sales, use, gross receipts, excise, or other local, state, or federal taxes, however designated (excluding taxes on Carrier's net income) imposed on or based upon the provision, sale, or use of Carrier's services. It shall be the responsibility of the Customer to pay any such taxes that subsequently become applicable retroactively.

- 2.9.1 All state and local taxes are listed as separate line items on the Customer's bill and are not included in the quoted rate(s). Other taxes, charges and regulatory assessments may be identified in the aggregate on the Customer's bill and are not to be included in the quoted rate.
- 2.9.2 Such taxes, charges, and assessments shall be billed to the Customer receiving service within the territorial limits of such State, county, city or other taxing authority. Such billing shall allocate the tax, charge, and/or assessment among Customer uniformly on the basis of each Customer's monthly charges for the types of service made subject to such tax, charge, and/or assessment.
- 2.9.3 Rates and charges for Carrier's prepaid services, as stated in Carrier's rate schedule, do not include federal excise tax or those state and local taxes which are required to be paid at the point of sale. The tariffed rate does include those state and local taxes which are required to be paid on the usage of the underlying telecommunications service when that service originates and terminates within a particular tax jurisdiction.
- 2.9.4 Carrier reserves the right to charge Customer an amount sufficient to recover any governmental assessments, fees, licenses or other similar taxes or fees imposed upon Carrier. Any surcharge or fee other than taxes will be filed for Commission approval.

2.10 <u>APPLICATION OF CHARGES</u>

The charges for service are those in effect for the period that service is furnished. If the charge for a period covered by a bill changes after the bill has been rendered, the bill will be adjusted to reflect the new charges.

2.11 FRACTIONAL CHARGES

Charges for a fractional part of a month are calculated by counting the number of days remaining in the billing period after service is furnished and dividing that number of days by 30 days (the billing period). The result is then multiplied by the applicable monthly service charge to arrive at the appropriate fractional monthly service charge.

2.12 <u>DEPOSITS</u>

The Company does not require or collect deposits from Customers.

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Issued: May 26, 2003	Effective:	
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SECTION 2 - RULES AND REGULATIONS (Cont'd)

2.13 START OF BILLING

For billing purposes, the start of service is the day following acceptance by Customer of Carrier's service or equipment. The end of service date is the last day of the minimum notification of cancellation or any portion of the last day, after receipt by Carrier of notification of cancellation as described in Section 2.5.2 of this Tariff.

2.14 INTERCONNECTION

- 2.14.1 Service furnished by Carrier may be interconnected with the services or facilities of other authorized communications common carriers and with private systems, subject to the technical limitation established by Carrier. Service furnished by Carrier is not part of a joint undertaking with such other carriers. Any special interface equipment or facilities necessary to achieve compatibility between the facilities of Carrier and other participating carriers shall be provided at the Customer's expense.
- 2.14.2 Interconnection with the facilities or services of other carriers shall be under the applicable terms and conditions of the other carriers' tariffs. The Customer is responsible for taking all necessary legal steps for interconnecting his or her customer provided Terminal Equipment of communications systems with Carriers' facilities. Customers shall secure all licenses, permits, rights-of-way, and other arrangements necessary for such interconnections.

2.15 TIMING OF CALLS

2.15.1 When Billing Charges Begin and Terminate for Phone Calls

Customer's long distance usage charge is based on the actual usage of Carrier's network. Usage begins when the called party picks up the receiver (i.e., when two-way communication, often referred to as "conservation time", is possible). When the called party picks up is determined by hardware answer supervision in which the local telephone company sends a signal to the switch or the software utilizing audio tone detection. When software answer supervision is employed, up to 60 seconds of ringing is allowed before it is billed as a usage of the network. A call is terminated when the calling or called party hangs up.

2.15.2 Billing Increments

Unless otherwise specified in this Tariff, the minimum call duration for billing purposes is one minute for a connected call. Unless otherwise specified in this Tariff, calls are billed in one minute increments thereafter. Billing will be rounded to the nearest penny for each call.

Issued: May 26, 2003 Effective: ____

SECTION 2 - RULES AND REGULATIONS (Cont'd)

2.16 <u>CALCULATION OF DISTANCE</u>

Usage charges for all mileage-sensitive products are based on the airline distance between rate centers associated with the originating and terminating points of the call. The airline mileage between rate centers is determined by applying the formula below to the vertical and horizontal coordinates associated with the rate centers involved.

Formula:		$(v1-v2)^2 + (h1-h2)^2$
	1	10

Issued: May 26, 2003 Effective: ____

SECTION 3 – DESCRIPTIONS OF SERVICES

3.1 SERVICE OFFERINGS

3.1.1 Prepaid Long Distance Service

Prepaid Long Distance Service provides an outbound voice grade communications service for calls charged to the Customer's account. The Service allows Customers to dial an 800 number to place direct-dialed interexchange calls to terminating locations from their home telephone. All calls must be charged against an account that has a sufficient available balance. At the point in which only 60 seconds of service remain, an audible signal will be given to the user to alert them only so much time is left for long distance service. The Customer may increase the available minutes of use by making additional incremental payments.

3.1.2 <u>Prepaid Card Service</u>

Prepaid Card Service provides an outbound voice grade communications service for calls charged to a Prepaid Card. Prepaid Card Service allows Customers to place direct-dialed interexchange calls to terminating locations by dialing a Customer-provided access number and a Customer-provided authorization number.

All calls must be charged against a Prepaid Card that has a sufficient available balance. The Customer will be notified in advance of the exhaustion of the card via an interactive voice prompt.

The following types of calls may not be completed with the Prepaid Card Service:

- a. Calls to 700 numbers
- b. Calls to toll free numbers
- c. Calls to 900 numbers
- d. Directory Assistance calls
- e. All Operator Service calls
- f. Busy Line Verification and Interrupt Service
- g. Calls requiring the quotation of time and charges
- h. Air-to-Ground calls

Except as may be specifically referenced therein, calls made using Prepaid Card Services are not included in any other Carrier services or promotions.

The number of available Prepaid Card is subject to technical limitations. Such cards will be offered to Customers on a first come, first served basis. Prepaid cards are available in various unit denominations as determined by the Carrier. Prepaid Cards will be sold at prices rounded to the nearest cent. The Prepaid Card Service rate does not include federal excise tax or those state and local taxes, which are required to be paid at the point of sale. The tariffed rate does include those state and local taxes, which are required to be paid on the usage of the underlying telecommunications service when that service originates and terminates within a particular tax jurisdiction.

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SECTION 3 – DESCRIPTIONS OF SERVICES (Cont'd)

3.2 <u>DIRECTORY ASSISTANCE SERVICE</u>

Directory Assistance Service is available for domestic calling only to Customers who dial 1+ (NPA) + 555-1212 form lines presubscribed to Carrier. Up to two requests for numbers may be made on each call to Directory Assistance. A charge will apply whether or not the Directory Assistance bureau furnishes the requested telephone number(s). Directory Assistance Service is provided only where facilities and billing capabilities permit.

3.3 <u>SPECIAL PRICIING ARRANGEMENTS – INDIVIDUAL CASE BASIS (ICB)</u>

In lieu of the rates otherwise set forth in this Tariff, rates and charges, including installation, special construction and recurring charges, may be established at negotiated rates on an ICB, taking into account such factors as the nature of the facilities and services, the costs of construction and operation, the volume of traffic commitment, and the length of service commitment by the Customer, as long as the rates and charges are not less than Carrier's costs of providing the service. Such arrangements shall be considered special pricing arrangements, the terms of which will be set forth in individual contracts or Customer term agreements. Specialized pricing arrangement rates or charges will be made available to similarly-situated Customers on comparable terms and conditions. Upon reasonable request, Carrier will make the terms of these contracts available to the Commission and its staff for review on a confidential and proprietary basis. The rates will be made a part of this Tariff.

3.4 PROMOTIONS

Carrier may, from time to time, engage in national and/or intrastate promotional offerings or trials, designed to attract new Customers, to stimulate Customer usage, to test potential new services, and/or to increase existing Customer awareness of Carrier services. These offerings may be limited to certain services, dates, times of day and/or locations determined by Carrier. National offerings, the terms of which are set forth in the applicable interstate tariffs governing such programs, may include without limitations, discounts, redeemable points, or cash rewards to Customers. The Commission will be notified prior to the effective date of promotions. To the extent that these programs extend to intrastate services, the terms of these national offerings are incorporated by reference, herein.

Issued: May 26, 2003 Effective:

SECTION 4 - RATES

4.1 <u>SERVICE OFFERINGS</u>

4.1.1 Prepaid Long Distance Service

Price Per Unit

(measured in one minute increments)

\$0.07

4.1.2 Prepaid Card Service

Price Per Unit

(measured in one minute increments)

\$0.25

4.1.3 <u>Directory Assistance Service</u>

Rate per Directory Assistance Call:

\$0.60

4.2 <u>OPERATOR SERVICE CHARGES</u>

	Call Placement Charge
	or Connection Fee
Station-to-Station	\$ 1.50
Person-to-Person	\$ 4.90
Collect Station-to-Station	\$ 3.50
Collect Person-to-Person	\$ 4.90
Third-Party Billing	
Station-to-Station	\$ 3.50
Person-to-Person	\$ 4.90
Operator-Dialed Surcharge	\$ 1.15

4.3 <u>RETURNED CHECK CHARGES</u>

Carrier will bill Customer a one-time charge of \$20.00 if Customer's check for payment of service is returned for insufficient or uncollected funds, closed accounts, or any other insufficiency or discrepancy necessitating return of the check at the discretion of the drawee bank or other financial institution.

Issued: May 26, 2003

Effective:

EXHIBIT H

Corporate Surety Bond

Attached hereto is Applicant's Corporate Surety Bond, Bond # 83027624.



TENNESSEE REGULATORY AUTHORITY

TENNESSEE TELECOMMUNICATIONS SERVICE PROVIDER'S SURETY BOND

The Participant was in the Tall San Co-

Bond #: _83027624	
WHEREAS, COMM SOUTH COMPANIES	, INC.
applied to the Tennessee Regulatory Authority for	authority to provide telecommunications services in the State of Tennessee; and
required to the this bond in order to obtain such au	oter 4, Section 125(j) of the Tennessee Code Annotated, as amended, the Principal is thority and to secure the payment of any monetary sanction imposed in any enforcement code Annotated or the Consumer Telemarketing Act of 1990 by or on behalf of the
WHEREAS, VIGILANT INSURANCE CON	МРАЛУ
issue this bond in order to permit the Principal to cor Annotated; NOW THEREFORE, BE IT KNOWN, that we the Faccordance with the provisions of Tennessee Code Adollars (\$20,000.00) lawful money of the United Sta	ss in the State of Tennessee and duly authorized by the Tennessee Commissioner of tate pursuant to Title 56, Chapter 2 of the Tennessee Code Annotated, has agreed to mply with the provisions of Title 65, Chapter 4, Section 125(j) of the Tennessee Code Principal and the Surety are held and firmly bound to the STATE OF TENNESSEE, in Annotated, Title 65, Chapter 4, Section 125(j), in the full amount of twenty thousand these of America to be used for the full and prompt payment of any monetary sanction
Tennessee Code Annotated or the Consumer Teles	successors or assigns, in any enforcement proceeding brought under Title 65 of marketing Act of 1990, by or on behalf of the TRA, for which obligation we bind gas, each jointly and severally, firmly and unequivocally by these presents.
the liability of the Surety shall not be cumulative, an bond shall not exceed Twenty Thousand Dollars (\$20	September day of, 2001, and shall be continuous; provided, however, that each ate a new bond term. Regardless of the number of years this bond may remain in force, at the aggregate liability of the Surety for any and all claims, suits or actions under this 2,000.00). The Surety may cancel this bond by giving thirty (30) days written notice of ited mail, it being understood that the Surety shall not be relieved of liability that may incellation.
PRINCIPAL	SURETY
COMM SOUTH COMPANIES, INC.	VIGILANT INSURANCE COMPANY
Name of Company authorized by the TRA	Name of Surety
126483	15 Mountain View Road, Warren, NJ 07509
Company ID # as assigned by TRA	
SIGNATURE OF PRINCIPAL	SIGNATURE OF SURETY AGENT
65 HAG	_ Lline Howe
Name: John McClure	Name: DIANE HOWE
Title: President	Title: ATTORNEY-IN-FACT
	Address of Surety Agent: AON RISK SERVICES
	ONE LIBERTY PLACE, 1650 MARKET ST.
THIS BOND IS ISSUED IN ACCORDANCE WEEK	PHILADELPHIA, PA 19103

D IN ACCORDANCE WITH THE PROVISIONS OF SECTION 125, CHAPTER 4, TITLE 65 OF THE TENNESSEE CODE ANNOTATED AS AMENDED BY CHAPTER NO. 586, 2000 PUBLIC ACTS. SHOULD THERE BE ANY CONFLICT WITH THE TERMS HEREOF AND THE STATUTE OR REGULATIONS PROMULGATED THEREUNDER, THE STATUTE OR REGULATIONS SHALL PREVAIL. (POWER OF ATTORNEY FROM AN APPROVED INSURANCE COMPANY MUST BE ATTACHED.)

ACKNOWLEDGMENT OF PRINCIPAL

STATE OF KEMNESSEE TEXA COUNTY OF DALLAS	S				
Before me, a Notary Pub with whom I am personally acquai bond on behalf of <u>Comm Sout</u>	inted and who, upon	oath, acknowledge	ed himself to be the	e individual w	o evenuted the foregain
WITNESS my hand and	seal this 5th da	ay of <u>March</u>	, 20_02.	The state of the s	SHERI B. PRINGLE Notary Public, State of Texas My Commission Expires
My Commission Expires:			•		My Commission Expires September 07, 2005
09/07	, 20 <u>05</u>		Shari B	thinger	J
		S	Notary Publi heri B. Prin	gle	
PFNNGVTVANTA	ACKNOWLEDG	MENT OF SURI	TY		
COUNTY OF PHILADELPHIA					
Before me, a Notary Pubwith whom I am persona foregoing bond on behalf of Vic State of Tennessee and duly author pursuant to Title 56, Chapter 2 of executed the foregoing bond, by switches with the second state of the second s	Ily acquainted and we gilant Ins. Control of the Tennesse Code igning the name of	who, upon oath, ac the within see Commissione e Annotated, and the corporation b	knowledged himse named Surety, a co of Insurance to en that he as such ar	of to be the independent of the substitution o	ividual who executed the used to do business in the rety business in this state
My Commission Expires:		6) 1/	1	
September 27	, *2008 0x 2003	K	Notary Public	burnha	J.
		B	Enjamin H. Si	WINTON, JE	
	APPROVAL AN	D INDORSEME	NT		
This is to certify that I have exam	ined the foregoing b	ond and found th	e same to be suffi	cient and in co	nformity to law, that the
sureties on the same are good and Authority, State of Tennessee, this	worth the penalty	thereof, and that y of, 20	the same has beer	n filed with th	e Tennessee Regulatory
	Ÿ B	Name: Title:			



POWER OF ATTORNEY

Federal Insurance Company Vigilant Insurance Company Pacific Indemnity Company

Attn.: Surety Department 15 Mountain View Road Warren, NJ 07059

Know All by These Presents, That FEDERAL INSURANCE COMPANY, an Indiana corporation, VIGILANT INSURANCE COMPANY, a New York corporation, and PACIFIC INDEMNITY COMPANY, a Wisconsin corporation, do each hereby constitute and appoint Matthew E. Lubin, Eileen M. Kowalczyk, John M. Swords, Diane Howe, Neill M. Coxe, Patrick J. Brennan, Jr. and Walter F. Norris, Jr. of Philadelphia, Pennsylvania-

each as their true and lawful Attorney-in-Fact to execute under such designation in their names and to affix their corporate seals to and deliver for and on their behalf as surety thereon or otherwise, bonds and undertakings and other writings obligatory in the nature thereof (other than bail bonds) given or executed in the course of business, and any instruments amending or altering the same, and consents to the modification or alteration of any

In Witness Whereof, said FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY have each executed and attested these presents and affixed their corporate seals on this day of April, 2000.

Kenneth C. Wendel, Assistant Secretary

ice President

STATE OF NEW JERSEY

County of Somerset

6th day of

On this 6th day of April, 2000, before me, a Notary Public of New Jersey, personally came Kenneth C. Wendel, to me known to be Assistant Secretary of FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY, the companies which executed the foregoing Power of Attorney, and the said Kenneth C. Wendel being by me duly sworn, did depose and say that he is Assistant Secretary of FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY and knows the corporate seals thereof, that the seals affixed to the foregoing Power of Attorney are such corporate seals and were thereto affixed by authority of the By-Laws of said Companies; and that he signed said Power of Attorney as Assistant Secretary of said Companies by like authority; and that he is acquainted with Frank E. Robertson, and knows him to be Vice President of said Companies; and that the signature of Frank E. Robertson, subscribed to said Power of Attorney is in the genuine handwriting of Frank E. Robertson, and was thereto subscribed by authority of said By-Laws and in deponent's presence. ERA

Notarial Seal

MICHELE R. MCKENNA Notary Public, State of New Jersey No. 2229941 Commission Expires Sept. 25, 2004

CERTIFICATION

JERS EDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY:

"All powers of attorney for and on behalf of the Company may and shall be executed in the name and on behalf of the Company, either by the Chairman or the President or a Vice President or an Assistant Vice President, jointly with the Secretary or an Assistant Secretary, under their respective designations. The signature of such officers may be engraved, printed or lithographed. The signature of each of the following officers: Chairman, President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary and the seal of the Company may be affixed by facsimile to any power of attorney or to any certificate relating thereto appointing Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such power of attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding upon the Company with

I, Kenneth C. Wendel, Assistant Secretary of FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY

the foregoing extract of the By-Laws of the Companies is true and correct,

(ii) the Companies are duly licensed and authorized to transact surety business in all 50 of the United States of America and the District of Columbia and are authorized by the U. S. Treasury Department; further, Federal and Vigilant are licensed in Puerto Rico and the U. S. Virgin Islands, and Federal is licensed in American Samoa, Guam, and each of the Provinces of Canada except Prince Edward Island; and

(iii) the foregoing Power of Attorney is true, correct and in full force and effect.

Given under my hand and seals of said Companies at Warren, NJ this







Kenneth C. Wendel, Assistant Secretary

IN THE EVENT YOU WISH TO NOTIFY US OF A CLAIM, VERIFY THE AUTHENTICITY OF THIS BOND OR NOTIFY US OF ANY OTHER MATTER, PLEASE CONTACT US AT ADDRESS LISTED ABOVE, OR BY Fax (908) 903-3656 e-mail: surety@chubb.com

EXHIBIT I

State Commission Orders

In 2000, Applicant's authority to provide telecommunications services was suspended or revoked in the states of Alabama, Arkansas, and Florida due to the Applicant's inadvertent failure to timely file reporting information and fees. Applicant believes that the oversights were attributable in large measure to changes in responsible personnel and a move of the company's headquarters in March and April of that year. Applicant has corrected its deficiencies and is now in good standing in each of these jurisdictions.

The Alabama Public Service Commission revoked Comm South's certification in June 2000 for nonpayment of inspection and supervision fees. Comm South's certification was reinstated by Order dated September 12, 2000 in AL PSC Docket No. 27495.

The Arkansas Public Service Commission revoked Comm South's certification in July 2000 for failure to file its annual gross earnings report. Comm South's certification was reinstated by Order No. 6, dated November 6, 2000, in AR PSC Docket No. 00-121-U.

The Florida Public Service Commission revoked Comm South's certification in April 2000 for failure to respond to Commission data requests (sent to Comm South's former business address). Florida re-certificated Comm South by Consummating Order dated March 23, 2001 in FL PSC Docket No. 001621-TX.

EXHIBIT J

Small and Minority-Owned Telecommunications Business Participation Plan

Pursuant to T.C.A. §65-5-212, as amended, Applicant submits this small and minority-owned Telecommunications business participation plan ("Plan") along with its Application for a Certificate of Public Convenience and Necessity to provide competing facilities-based local exchange services in Tennessee.

I. PURPOSE

The purpose of §65-5-212 is to provide opportunities for small and minorityowned businesses to provide goods and services to telecommunications service providers. Comm South is committed to the goals of §65-5-212 and to taking steps support the participation of small minority-owned and telecommunications businesses in the telecommunications industry. Comm South will endeavor to provide opportunities for small and minority-owned telecommunications businesses to compete for contracts and subcontracts for goods and services. As part of its procurement process, Comm South will make efforts to identify and inform minority-owned and small businesses that are qualified and capable of providing goods and services to Comm South of such opportunities. Comm South will contact the Department of Economic and Community Development, the administrator of the small and minority-owned telecommunications assistance program to obtain a list of qualified vendors. Moreover, Comm South will seek to increase awareness of such opportunities so that companies not otherwise identified will have sufficient information to participate in the procurement process.

II. DEFINITIONS

As defined in §65-5-212.

Minority-Owned Business. Minority-owned business shall mean a business which is solely owned, or at least fifty-one percent (51%) of the assets or outstanding stock which is owned, by an individual who personally manages and controls daily operations of such business, and who is impeded from normal entry into the economic mainstream because of race, religion, sex or national origin and such business has annual gross receipts of less than four million dollars (\$4,000,000).

Small Business. Small Business shall mean a business with annual gross receipts of less than four million dollars (\$4,000,000).

EXHIBIT J

Small & Minority-Owned Telecommunications Business Participation Plan (Cont.)

III. **ADMINISTRATION**

Comm South's Plan will be overseen and administered by the individual named below, hereinafter referred to as the Administrator, who will be responsible for carrying out and promoting Comm South's full efforts to provide equal opportunities for small and minority-owned businesses. The Administrator of the Plan will be:

Sheri Pringle Director - Regulatory Affairs Comm South Companies, Inc. 6830 Walling Lane Dallas, Texas 75231 Telephone: (214) 355-7005

Facsimile: (214) 355-7259

Email: springle@commsouth.net

The Administrator's responsibilities will include:

- 1. Maintaining an updated Plan in full compliance with §65-5-212 and the rules and orders of the TRA.
- 2. Establishing and developing policies and procedures necessary for the successful implementation of the Plan.
- 3. Preparing and submitting such forms as may be required by the TRA, including the filing of required annual updates.
- 4. Serving as the primary liaison to cooperate with the TRA, other agencies of the State of Tennessee, and small and minority-owned businesses to locate and use qualified small minority-owned businesses as defined in §65-5-212.
- 5. Searching for and developing opportunities to use small and minorityowned businesses and encouraging such businesses to participate in and bid on contracts and subcontracts.
- 6. Providing records and reports and cooperate in any authorized surveys as required by the TRA.
- 7. Establishing a record-keeping system to keep qualified small and minority-owned businesses and efforts to use such businesses.

EXHIBIT J

Small & Minority-Owned Telecommunications Business Participation Plan (Cont.)

8. Providing information and educational activities to persons within Comm South and training such persons to seek out, encourage, and promote the use of small and minority-owned businesses.

In performance of these duties, the Administrator will utilize a number of resources including the following:

- Chamber of Commerce
- The Tennessee Department of Economic and Community Development
- The United States Department of Commerce, Small Business Administration and Office of Minority Businesses
- The National Minority Supplier Development Counsel
- The National Association of Women Business Owners
- The National Association of Minority Contractors
- The Historically Black Colleges, Universities, and Minority Institutions

The efforts to promote and ensure equal opportunities for small and minority-owned businesses are primarily spelled out in the Administrator's duties above. Additional efforts to provide opportunities to small and minority-owned businesses will include offering, where appropriate and feasible, small and minority-owned businesses assistance with technical, insurance, bonding, licensing, production, and deadline requirements.

IV. RECORDS AND COMPLIANCE REPORTS

Comm South will maintain records of qualified small and minority-owned businesses and efforts to use the goods and services of such businesses. In addition, Comm South will maintain records of educational and training activities conducted or attended and of the internal procurement procedures adopted to support this Plan.

Comm South will submit records and reports required by the TRA concerning the Plan. Moreover, Comm South will cooperate fully with any surveys and studies required by the TRA.

Comm South Companies, Inc.

By:

Rick L. Brown

Chief Technical Officer

EXHIBIT K

IntraLATA Toll Dialing Parity Plan

INTRODUCTION

Comm South intends to provide intrastate, interexchange telecommunications to customers in Tennessee. Initially, such services will be offered only on a prepaid basis. Specifically, Applicant proposes to provide the following intrastate, interexchange services on a full-time basis, 24 hours a day, seven days a week:

Prepaid Long Distance Service provides an outbound voice grade communications service for calls charged to a customer's account. The service allows Customers to place direct-dialed interexchange calls (by first dialing an 800 number), to terminating locations from their home telephone. The Customer may increase the available minutes of use by making additional payments.

Prepaid Phone Card Service, which provides an outbound voice grade communications service for calls charged to a Prepaid Card. Prepaid Card Service is accessed using a toll-free number printed on the card.

As an initial matter, Comm South will provide long distance services on a resale basis. Applicant intends to purchase services for resale from Red River Networks. At some point in the future, Applicant may purchase a switch that will be located near its headquarters in Dallas, Texas, from which its customer long distance traffic may be backhauled. However, Comm South will not own, control, operate, or manage any telecommunications facilities in the State of Tennessee.

Should Comm South begin offering direct dialed interexchange service, the following processes, which are designed to give end-user customers the opportunity to designate a carrier for their intraLATA toll call traffic in those markets areas where Comm South will operate as a facilities-based local exchange service provider, will be implemented. IntraLATA toll calls will automatically be directed to the designated carrier without the customer having to dial an access code.

POLICIES

Comm South will deploy two-PIC (Primary Interexchange Carrier) technology in its switches enabling customers to prescribe to either the same or two different carrier(s) for their intraLATA and interLATA services.

Appropriate tariffs will be filed in accordance with this plan, and applicable rules and regulations.

Comm South will offer customers the ability to access all participating carriers by dialing the appropriate access codes (e.g., 10-10XXX).

EXHIBIT K

IntraLATA Toll Dialing Parity Plan (Cont.)

All eligible Comm South end-user telephone line numbers will be presubscribed and have two PICs associated with them.

CARRIER INFORMATION

Interexchange carriers will have the option of offering intraLATA service only or intraLATA and interLATA service.

Interexchange carriers will have the option of participating in all market areas or in a specific market area.

Interexchange carriers will be required to return a completed Non-Disclosure Agreement and Participation Agreement(s).

Comm South will not participate in billing disputes for intraLATA service between an alternative competing interexchange carrier and its customers.

Comm South representatives will not initiate or accept three-way calls from an alternative interexchange carrier in order to discuss presubscription.

Carriers wishing to participate will be requested to submit Access Service Requests/Translation Questionnaires to the Access Tandem owner and Comm South.

IntraLATA Toll Dialing Parity Plan (Cont.)

CALL ELIGIBILITY/TOLL DIALING PLAN

All local service customers of Comm South will have calls routed according to the following plan:

If a Comm South Customer Dials:	The Call is Handled By/Routed To:
911	PSAP on originating line number
411/555-1212	Directory Assistance Operator
0-	Operator
7 digits (local call)	Local Exchange Carrier
7 digits (IntraLATA toll call, same NPA)	IntraLATA Toll Provider
1 + 10 digits (IntraLATA toll call)	IntraLATA Toll Provider
0 + 10 digits (IntraLATA toll call)	IntraLATA Toll Provider
1 + 10 digits (InterLATA toll call)	InterLATA Toll Provider
0 + 10 digits (InterLATA toll call)	InterLATA Toll Provider
10-10-XXX + 0	XXX Carrier
10-10-XXX + 7 digits (IntraLATA toll)	XXX Carrier
10-10-XXX + 0 + 10 digits	XXX Carrier
10-10-XXX + 10 digits	XXX Carrier

If a Comm South customer originates a call to an alternative interexchange carrier's Operator by dialing 00-, the call will be routed to the PIC on that customer's line. If the customer originates a call to an alternative interexchange carrier's Operator by dialing an access code (e.g., 10-10-XXX + 0), the call will be routed to the XXX carrier. In both cases, the carrier's switch is responsible for routing this call to the alternative interexchange carrier's Operator or to an announcement.

NETWORK INFORMATION

All originating intraLATA traffic will initially be routed via the incumbent Local Exchange Carrier (LEC) access tandem(s).

Interexchange carriers must have Feature Group D trunks in place (or ordered) between their point of presence and the incumbent LEC access tandem(s).

Comm South will route all originating intraLATA traffic to the designated carrier and will only block traffic at the request of the end user customer and/or in compliance with regulatory requirements. Requests from carriers to block traffic or to remove customers from their network will not be honored. Calls that cannot be completed to a carrier will be routed to an announcement.

IntraLATA Toll Dialing Parity Plan (Cont.)

CUSTOMER CONTACT INFORMATION

Comm South customer contact representatives will process customer-initiated PIC selections to Comm South or to an alternative intraLATA carrier. Carriers will have the option of allowing the Comm South representative to process PIC requests on their behalf.

Comm South will not ballot or allocate its customer base. All customers will be "PIC'd" to Comm South unless another carrier is chosen by the particular customer.

Comm South customer contact representatives will respond to customer inquiries about intraLATA carriers in a competitively-neutral fashion. If a customer requests information on alternative carriers other than Comm South, a list of participating carriers will be read to that customer in random order by the Comm South representative.

If the intraLATA toll carrier selected by the customer permits Comm South to process orders on its behalf, Comm South will accept the PIC change request. If the customer selects an intraLATA toll carrier that does not allow Comm South to process PIC changes on its behalf, Comm South will provide the customer with the carrier's toll-free number (if provided by the carrier)

Comm South representatives will not discuss alternative carrier rates or services and will not provide customers with Carrier Identification Codes or access code dialing instructions.

PRESUBSCRIPTION INFORMATION

Consistent with the Comm South's tariffs, a PIC change charge may be incurred and billed to a Comm South customer for each eligible line where a PIC change is made. Comm South will offer its existing customers a 90-day grace period following the implementation of this plan during which the customers may change intraLATA carriers without incurring a PIC change charge. Customers can make multiple PIC changes during these 90 days at no charge. After the 90-day period, Comm South may assess the PIC change charge for each PIC change made. Comm South will offer interexchange carriers the option of having the PIC charge billed to the carrier or directly to the customer.

IntraLATA Toll Dialing Parity Plan (Cont.)

New line customers, including customers adding lines, will have the opportunity to select a participating carrier, or they will be assigned a NO PIC designation. If a customer cannot decide upon an intraLATA carrier at the time of order, Comm South may extend the 30-day period following placement of the customer's service order for the customer to select an intraLATA carrier without charge. Such a customer will be assigned a NO PIC designation in the interim. After this 30-day period, Comm South will assess the PIC change charge as described above. Customers assigned a NO PIC designation as set forth in this paragraph will be required to dial an access code to reach an intraLATA carrier's network.

If a Comm South customer denies requesting a change in intraLATA toll providers as submitted by an intraLATA carrier, and the intraLATA carrier is unable to produce a Letter of Agency signed by the customer or some other form of verification that is permitted by law, the PIC will be changed as per the customer's request and the intraLATA carrier will be assessed a charge for the unauthorized PIC change. This penalty is in addition to any other penalties authorized by law, which Comm South may pursue.

Alternative interexchange carriers may submit PIC changes to Comm South via a fax/paper interface.

Comm South will process intraLATA PIC selections in the same manner and under the same intervals of time as interLATA PIC changes.

Carriers will be required to submit PIC changes via paper. Comm South will provide carriers with PIC order confirmation and reject information. Specific details regarding this process will be provided to participating carriers.

Some customers may change their local service provider from the incumbent LEC to Comm South and retain their incumbent LEC telephone number(s). As part of this process, for such customers Comm South will provide the selected intraLATA carrier with both the retained (incumbent LEC) telephone number and the Comm South telephone number.

ANTI-SLAMMING

To ensure that its customers have affirmatively selected the Company, Applicant will not switch a new customer's long distance carrier until it has received a Letter of Authorization from the new customer in accordance with Section 64.1100 of the Rules of Federal Communications Commission, 47 C.F.R. §64.1100, and applicable Tennessee regulations.

IntraLATA Toll Dialing Parity Plan (Cont.)

COMPLIANCE WITH APPLICABLE LAWS

Applicant will comply with all applicable federal communications laws, state laws, and TRA regulations.

EXHIBIT L

Certificate of Service to Incumbent Local Exchange Service Providers

<u>Certified in Tennessee</u>

(Facility-Based)

Certificate of Service

I, Sheri Pringle, do hereby certify that the following entities have been notified on this <u>27th</u> day of <u>May, 2003</u> vial first class U.S. Mail, postage prepaid, that Comm South Companies, Inc. seeks approval to provide facilities-based and resale interexchange services in the entire State of Tennessee:

1) Ardmore Telephone Company, Inc.

P.O. Box 549 517 Ardmore Avenue Ardmore, TN 38449 205.423.2131

2) BellSouth

333 Commerce Street Nashville, TN 37201-3300 615.214.3800

3) <u>Century Telephone of Adamsville</u>

P.O. Box 405 116 N. Oak Street Adamsville, TN 38310 901.632.3311

4) <u>Century Telephone of Claiborne</u>

P.O. Box 100 507 Main Street New Tazewell, TN 37825 423.626.4242

5) <u>Century Telephone of Ooltewah-Collegedale, Inc.</u>

P.O. Box 782 5616 Main Street Ooltewah, TN 37362 423.238.4102

6) Citizens Communications Company of Tennessee

P.O. Box 770 300 Bland Street Bluefield, WV 24701

7) Citizens Communications Company of the Volunteer State

P.O. Box 770 300 Bland Street Bluefield, WV 24701

8) Loretto Telephone Company, Inc.

P.O. Box 130 Loretto, TN 38469 931.853.4351

9) Millington Telephone Company, Inc.

4880 Navy Road Millington, TN 38053 901.872.3311

10) Sprint-United Telephone Company

112 Sixth Street Bristol, TN 37620 423.968.8161

11) TDS Telecom-Concord Telephone Exchange, Inc.

P.O. Box 22610 710 Concord Road Knoxville, TN 37933-0610 423.966.5828

12) TDS Telecom-Humphreys County Telephone Company

P.O. Box 552 203 Long Street New Johnsonville, TN 37134-0552 931.535.2200

13) TDS Telecom-Tellico Telephone Company, Inc.

P.O. Box 9 102 Spence Street Tellico Plains, TN 37385-0009 423.671.4600

14) TDS Telecom-Tennessee Telephone Company

P.O. Box 18139 Knoxville, TN 37928-2139 423.922.3535

15) <u>TEC-Crockett Telephone Company, Inc.</u>

P.O. Box 7 Friendship, TN 38034 901.677.8181

16) <u>TEC-People's Telephone Company, Inc.</u>

P.O. Box 310 Erin, TN 37061 931.289.4221

17) TEC-West Tennessee Telephone Company, Inc.

P.O. Box 10 244 E. Main Street Bradford, TN 38316 901.742.2211

18) <u>United Telephone Company</u>

P.O. Box 38 120 Taylor Street Chapel Hill, TN 37034 931.364.2289

Sheri Pringle

EXHIBIT M

Numbering Issues

Please provide answers to the following questions concerning numbering within your proposed service area:

NOTE: Applicant will provide interexchange services through resale of Red River Networks long distance platform. Consequently, Applicant will rely on the underlying carrier to ensure to pre-assign phone numbers and therefore this section is not applicable.

- 1. What is your company's expected demand for NXXs per NPA within a year of approval of your application?
- 2. How many NXXs do you estimate that you will request from NANPA when you establish your service footprint?
- 3. When and in what NPA do you expect to establish your service footprint?
- 4. Will the company sequentially assign telephone numbers within NXXs?
- 5. What measures does the company intend to take to conserve Tennessee numbering resources?
- 6. When ordering new NXXs for growth, what percentage fill of an existing NXX does the company use to determine when a request for a new NXX will be initiated?

EXHIBIT N

Tennessee Specific Operational Issues

1) How does the company intend to comply with TCA §65-21-114 (toll-free telephone service within counties)?

Applicant provides local exchange services through the lease or purchase of UNE platform. Consequently, Applicant will rely on the underlying carrier to ensure compliance with §65-21-114.

2) Is the company aware of the Tennessee County Wide Calling database maintained by BellSouth and the procedures to enter your telephone numbers on the database?

Yes.

Is your company aware of the local calling areas provided by the Incumbent Local Exchange Carriers in your proposed service areas?

Yes.

4) Explain the procedures that will be implemented to assure that your customers will not be billed long distance charges for calls within the metro calling areas.

Applicant provides local exchange services through the lease or purchase of UNE platform. Consequently, Applicant will rely on the underlying carrier to ensure that customers will not be billed long distance charges for calls within metro calling areas.

5) Please provide the name and telephone number of an employee of your company that will be responsible to work with the TRA on resolving customer complaints.

Felicia Mayo Regulatory Analyst Comm South Companies, Inc. 6830 Walling Lane Dallas, Texas 75231 Telephone:214.355.7108

Facsimile: 214.355.7292 Email: Fmayo@comr

Email: Fmayo@commsouth.net
Or: Regulatory@commsouth.net

EXHIBIT N

Tennessee Specific Operational Issues (Cont'd.)

6) Does the company intend to tele-market its services in Tennessee?

No. Applicant will be marketing its facilities-based and resale interexchange services to business and residential customers. Accordingly, Comm South will be soliciting such customers directly. Comm South will market its services through local agents (where the customer can also obtain and pay for such services) and through commercial advertisements in area newspapers, radio and television broadcasts. Applicant is aware of the telemarketing statutes and regulations found in TCA §65-4-401 *et seq.* and Chapter 1220-4-11.

Pre-Filed Testimony of Rick L. Brown

I, Rick L. Brown, do hereby testify as follows in support of the Application of Comm South Companies, Inc. ("Comm South") for a Certificate of Convenience and Necessity as a competing telecommunications services to provide competing facilities-based and resale interexchange services throughout the State of Tennessee.

- Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.
- A. My name is Rick L. Brown. My business address is Comm South Companies, Inc., 6830 Walling Lane, Dallas, Texas 75231.
- Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?
- A. I am employed by Comm South Companies, Inc. ("Comm South"). Currently, I serve as Chief Technology Officer.
- Q. PLEASE DESCRIBE YOUR PROFESSIONAL QUALIFICATIONS.
- A. As described in the Application, I have over 24 years experience in the telecommunications industry, including local, data and broadband services. I currently serve as Chief Technology Officer for Comm South. Prior to joining Comm South, I was employed by Sprint for 19 years and have held senior level positions with TCG, e.spire and BroadbandNOW. I have served on the Board of Directors of the National ALEC Association/Pre-Paid Companies of America (NALA/PCA), past Executive Steering Committee Member SWB CLEC User Forum, and was recently elected into the Who's Who of International Business Leaders.
- Q. WHAT ARE YOUR CURRENT RESPONSIBLITIES?
- A. I am responsible for overseeing all business development, new products and services, and emerging technologies.
- Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?
- A. The purpose of my testimony is to support the Application of Comm South for a Certificate of Authority to provide facilities-based and resale interexchange telecommunications services throughout Tennessee.

Pre-filed Direct Testimony of Rick L. Brown (Cont'd.)

- Q. WHAT SERVICES DOES COMM SOUTH PROPOSE TO OFFER UNDER THE CERTIFICATE REQUESTED IN ITS APPLICATION?
- A. Comm South currently provides prepaid local exchange services on a facilities-based and resale basis through the lease and/or purchase of unbundled network element (UNE) platform from the incumbent local exchange carrier, in the State of Tennessee. Comm South now also plans to provide facilities-based and resale interexchange services in the State of Tennessee. Comm South's proposed tariff, attached as Exhibit G to its Application, provides a more thorough description of Comm South's proposed services.
- Q. PLEAE DESCRIBE THE CURRENT CORPORATE STRUCTURE OF COMM SOUTH.
- A. Comm South is a corporation organized under the laws of Texas. Its sole shareholder is ARCOMM Holding Co. (ARCOMM). ARCOMM is a Delaware corporation with its principal business office at 880 Elkridge Landing Road, Linthicum, MD 21090.
- Q. DOES COMM SOUTH POSSESS THE REQUISITE MANAGERIAL, FINANCIAL, AND TECHNICAL ABILITIES TO PROVIDE THE SERVICES FOR WHICH IT HAS APPLIED FOR AUTHORITY?
- A. Yes.
- Q. PLEASE DESCRIBE COMM SOUTH'S FINANCIAL QUALIFICATIONS.
- A. Applicant's most recent and projected financial statements are attached as Exhibit F to Comm South's Application. The financial documentation included with this Application demonstrates that Comm South is qualified to provide the proposed services.
- Q. PLEASE DESCRIBE COMM SOUTH'S MANAGERIAL AND TECHNICAL QUALIFICATIONS.
- A. Comm South's managerial and technical qualifications are described in Exhibit E to Comm South's Application. Comm South has the managerial and technical qualifications to provide the proposed services.

Pre-filed Direct Testimony of Rick L. Brown (Cont'd.)

- Q. WILL COMM SOUTH OFFER SERVICE TO ALL CONSUMERS WITHIN ITS SERVICE AREAS?
- A. Yes, Comm South will offer service to all consumers within its proposed service area, the entire State of Tennessee.
- Q. DOES COMM SOUTH PLAN TO OFFER LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES IN AREAS SERVED BY ANY INCUMBENT LOCAL EXCHANGE TELEPHONE COMPANY WITH FEWER THAN 100,000 TOTAL ACCESS LINES?
- A. No, Comm South will only offer facilities-based local exchange services in those areas in which the incumbent local exchange carrier offers unbundled network elements (UNEs).
- Q. WILL THE GRANTING OF A CERTIFICATE OF CONVENIENCE AND NECESSITY TO COMM SOUTH SERVE THE PUBLIC INTEREST?
- A. Yes. Grant of the Application will further the goals of the Tennessee Legislature and further the public interest by expanding the availability of competitive telecommunications services in the State of Tennessee. In addition, intrastate offerings of these services, is in the public interest because the services will provide Tennessee customers increased efficiencies and cost savings. The public will benefit through the increased availability of the competitive services to be offered by the Applicant. Applicant's presence in Tennessee will also increase the incentives for other telecommunications providers to operate more efficiently, offer more innovative services, reduce prices, and improve quality of service.
- Q. DOES COMM SOUTH INTEND TO COMPLY WITH ALL TRA RULES, STATUTES, AND ORDERS PERTAINING TO THE PROVISION OF TELECOMMUNICATIONS SERVICES IN TENNESSEE, INCLUDING THOSE FOR DISCONNECTION AND RECONNECTION OF SERVICE?
- A. Yes.
- Q. HAS ANY STATE EVER DENIED COMM SOUTH OR ONE OF ITS AFFILIATES AUTHORIZATION TO PROVIDE INTRASTATE SERVICE?
- A. No.

Pre-filed Direct Testimony of Rick L. Brown (Cont'd.)

- Q. HAS ANY STATE EVER REVOKED THE CERTIFICATION OF COMM SOUTH OR ONE OF ITS AFFILIATES?
- A. Yes. In 2000, Comm South's authority to provide telecommunications services was suspended or revoked in the state of Alabama, Arkansas and Florida due to the Applicant's inadvertent failure to timely file reporting information. Applicant believes that the oversights were attributable in large measure to changes in responsible personnel and a move of the company's headquarters in March and April of that year. Applicant has subsequently been reinstated in all three states as described more fully in Exhibit I attached to this Application. Applicant is not aware of any other actions involving non-compliance with regulatory requirements.
- Q. HAS COMM SOUTH OR ONE OF ITS AFFILIATES EVER BEEN INVESTIGATED OR SANCTIONED BY ANY REGULATORY AUTHORITY FOR SERVICE OR BILLING IRREGULARITIES?
- A. No.
- Q. WHO IS KNOWLEDGEABLE ABOUT COMM SOUTH'S OPERATIONS AND WILL SERVE AS COMM SOUTH'S REGULATORY AND CUSTOMER SERVICE CONTACT?
- A. Sheri Pringle, Director of Regulatory Affairs will serve as Comm South's regulatory contact. Mrs. Pringle may be reached at 214-355-7005. As provided in response number (5) of Exhibit N, Felicia Mayo will serve as Comm South's Customer Service contact. Mrs. Mayo may be contacted toll-free at 1-800-936-5223.
- Q. PLEASE EXPLAIN IN DETAIL COMM SOUTH'S PROPOSED PROCEDURES FOR RESPONDING TO INFORMATION REQUESTS FROM TRA AND ITS STAFF.
- A. Applicant will respond promptly to information requests from TRA and its staff. Regulatory authorities may contact Mrs. Pringle or Comm South's authorized customer service center toll-free at 1-800-936-5223. Or, they may write Comm South at 6830 Walling Lane, Dallas, Texas 75231. Applicant commits to replying to all inquiries in a reasonable and timely manner.

Pre-filed Direct Testimony of Rick L. Brown (Cont'd.)

- Q. ARE ALL STATEMENTS IN COMM SOUTH'S APPLICATION TRUE AND CORRECT TO THE BEST OF YOUR KNOWLEDGE, INFORMATION AND BELIEF?
- A. Yes. I believe that the foregoing testimony is true and correct to the best of my knowledge.
- Q. DOES THIS CONCLUDE YOUR TESTIMONY?
- A. Yes.

Rick L. Brown
Chief Technology Officer
Comm South Companies, Inc.

State of <u>TEXAS</u> }
County of <u>DALLAS</u> }

Subscribed and sworn to me this 27th day of May 2003.

Notary Public

My Commission Expires

9/1/05

SHER! B. PRINGLE
Notary Public, State of Texas
My Commission Expires
September 07, 2005